Monday
21st May, 1956

PARLIAMENTARY DEBATES

HOUSE OF THE PEOPLE

OFFICIAL REPORT

(Part I- Questions and Answers)

1956

PARLIAMENT SECRETARIAT
NEW DELHI

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GIPN-S3-146 Lok Sabha 564—21-3-57-840

LOK SABHA

Monday, 21st May, 1956.

The Lok Sabha met at Half Past Ten of the Clock.

[MR. SPEAKER *in the Chair*]

ORAL ANSWERS TO QUESTIONS

SCHOOL-*cum*-COMMUNITY CENTRES

*2357. **Shri Jhulan Sinha:** Will the Minister of Education be pleased to state the number of primary schools in the country that are being developed under the Central Government Scheme as school-*cum*-community centres in the rural districts of States?

The Deputy Minister of Education (Dr. K. L. Shrimali): The information is being collected and will be laid on the Table of the House.

Shri Jhulan Sinha: May I know the nature of the development that is going to be had in these centres?

Dr. K. L. Shrimali: The idea of the whole scheme was to turn these schools into community centres so that they might not only give instruction to students but might work for the uplift of the whole rural community. Grants for developing 454 primary schools as school-*cum*-community centres were given during the First Five Year Plan. But we have still to get the information from the State Governments, and I will place the information on the Table of the House when it is collected.

Shri Jhulan Sinha: May I now if this scheme of school-*cum*-community development has actually been taken up in any of the States in India?

Dr. K. L. Shrimali: Yes, Sir.

Shri P. C. Bose: May I know if Government has got an estimate of the expenditure to be incurred by the Centre?

Dr. K. L. Shrimali: The total cost from 1952 to 1956 is estimated to be Rs. 18,19,858 out of which the Central share for 1952 to 1956 would be Rs. 11,41,758.

Dr. Lanka Sundaram: May I know whether this school-*cum*-community centre scheme is expected to utilise the single-teacher system which has been introduced in various States?

Dr. K. L. Shrimali: All kinds of educational institutions, whether they are single-teacher schools or multi-teacher schools will be utilised for this purpose. But I could not give the details regarding that.

Pandit D. N. Tiwary: May I know the number of extra hands employed for this in these schools?

Dr. K. L. Shrimali: I shall need notice for that.

सरदार ए० एस० सहगल : क्या मैं जान सकता हूं कि हर एक स्टेट में इस तरह के कितने कितने स्कूल खोलने की व्यवस्था की जा रही है?

डा० के० एल० श्रीमाली : मैं १९५४-५५ के विषय में आपसे अर्ज कर सकता हूं ।

आंध्र—१३, आसाम—११, वैस्ट बंगाल—२६ बिहार—३४, बम्बई—२७, उडीसा—१३, यु० पी०—१०२, मध्य भारत—१६, सौराष्ट्र—५ ट्रावंकोर—कोचीन—९, भोपाल—२, दिल्ली—५,विन्ध्य प्रदेश—६ और कच्छ—४ कुल संख्या२७३ है ।

Mr. Speaker: How long is this to go on? When the list goes over a number of items, hon. Ministers will give one or two and stop. I cannot allow all the time to be taken up in reading all the items.

Shri B. S. Murthy: May I now whether these schools are Basic Schools or otherwise?

Dr. K. L. Shrimali: This detail I cannot supply now.

Shrimati Kamlendu Mati Shah: Is it true that we cannot get teachers for these schools because the pay is not enough and, if so, is Government thinking of increasing the pay?

Dr. K. L. Shrimali: That question is already before Government and they are taking steps.

FLYING SAUCERS

*2359. **Shri Wodeyar:** Will the Minister of **Natural Resources and Scientific Research** be pleased to state:

(a) whether it is a fact that flying saucers were seen in Ludhiana on the 15th January, 1956 accompanied by an oblong plume smoke in the sky; and

(b) if so, whether Government have investigated the matter ?

The Minsiter of Natural Resources (Shri K. D. Malaviya): (a) and (b). Apart from newspaper reports, Government have no information on the subject.

Shri Wodeyar: May I know what are the real findings of the U.K. or U.S.A. Government about these flying saucers which are often seen in the sky and the Government of India's views in the matter?

Shri K. D. Malaviya: There are various reports and interpretations of this phenomena appearing in the newspapers and books from time to time. But the Government cannot say anything about it in an authentic way.

Shri G. P. Sinha: May I know what step was taken by Government to verify the newspaper reports?

Shri K. D. Malaviya: It is not worth it to take all the trouble to verify it because we think there is not much behind it.

Dr. Suresh Chandra: May I know whether Government are aware about the existence of flying saucers in this country?

Shri K. D. Malaviya: As I have said, we have read about it in the newspapers.

OFFICIAL DRESS

*2362. **Shri Shree Narayan Das:** Will the Minister of **Home Affairs** be pleased to refer to the reply given to Starred Question No. 586 on the 7th September, 1954 and state how far the suggestions made by Government regarding dress are being followed by all categories of Government servants?

The Minister of Home Affairs (Pandit G. B. Pant): They are being followed generally by Government Servants of all categories.

Shri Shree Narayan Das: May I know whether any time-limit has been fixed by which the officers are expected to conform to these suggestions made by Government and fully implement them?

Pandit G. B. Pant: As soon as they may make it possible to adjust to the new conditions.

Dr. Lanka Sundaram: Is the hon. Minister aware of a series of permutations and combinations of colours resorted to by officers when they appear at functions and, if so, does he propose to stop it?

Pandit G. B. Pant: I am not familiar with these things very much.

Shri G. P. Sinha: May I know whether Government is proposing to make it compulsory for government servants getting more than five hundred rupees to wear khadi?

Pandit G. B. Pant: We rely more on good sense and patriotism than on compulsion.

RELIEF TO ANDAMAN RESIDENTS

*2363. **Shri Keshavaiengar:** Will the Minister of **Home Affairs** be pleased to state:

(a) whether the amount of 7 lakhs earmarked for rendering relief to the sufferers of the Japanese occupation in Andaman Islands has been disbursed; and

(b) if so, when and for what purpose?

The Minister of Home Affairs (Pandit G. B. Pant): (a) and (b). An amount of five lakhs was sanctioned for this purpose towards the close of last year. The Chief Commissioner had fixed 1st May 1956 as the last date for receiving applications and some two thousand applications have been received and are being examined. It is expected that the budget provision of 3·5 lakhs made this year will be utilised within current financial year.

Shri Shree Narayan Das: May I know the forms in which this relief will be given to the persons concerned?

Pandit G. B. Pant: It will be given in cash.

Mr. Speaker: Shri Keshavaiengar.

Shri Keshavaiengar: I wanted to know the nature of the relief, and it has been answered.

Pandit G. B. Pant: The nature of the relief is that amounts up to Rs. 3,000 may be given to each of the applicants, one-third by way of grant and two-thirds being repayable in easy instalments.

प्रतिरक्षा मंत्रालय में धार्मिक अध्यापक

*२३६४. **श्री भक्त दर्शन** : क्या **प्रतिरक्षा** मंत्री इस समय प्रतिरक्षा मंत्रालय में काम करने वाले विभिन्न धर्मों के धार्मिक अध्यापको की संख्या बताने वाला एक विवरण टेबल पर रखने और यह बताने की कृपा करेंगे कि :

(क) उनकी भरती, योग्यताओं, वेतनों और छुट्टी के नियम क्या हैं;

(ख) क्या उनकी मांगों और शिकायतों के बारे में सरकार को कोई ज्ञापन प्राप्त हुआ है; और

(ग) यदि हां, तो उस पर क्या निर्णय किया गया ?

प्रतिरक्षा उपमंत्री (सरदार मजीठिया) : (क) एक विविरण सभा-पटल पर रख दिया गया है । [देखिये परिशिष्ट १४ अनुबंध सं ०११]

(ख) जी हां ।

(ग) धार्मिक शिक्षकों की मांगों और शिकायतों पर विचार किया गया. और उनकी योग्यता तथा उनके द्वारा किये जाने वाले कामों के अनुसार उनकी नौकरी के वर्तमान टर्म और कण्डीशन बिल्कुल ठीक समझे गयें ।

श्री भक्त दर्शन : इस विवरण से ज्ञात होता है कि ईसाई धार्मिक अध्यापकों अर्थात् पादरियों को १०० रुपये मासिक वेतन दिया जाता है जब कि अन्य धार्मिक अध्यापकों को केवल ३५ रुपये मासिक वेतन दिया जाता है । क्या मैं जान सकता हूं कि यह अन्तर क्यों है और क्या धर्म-निरपेक्ष राज्य में—सैकुलर स्टेट में— यह अन्तर उचित है ?

सरदार मजीठिया : यह ठीक है और यह फ़र्क ज़रूर है और यह शुरू से ही चला आ रहा है और उसकी वजह यह थी कि पादरियों को आम तौर पर ज्यादा अच्छे कपड़े पहनने पड़ते हैं और उनका खर्च ज्यादा होता है । इस लिये उनको ज्यादा तनख्वाह दी गई ।

श्री भक्त दर्शन : धार्मिक अध्यापकों की ओर से जो मांगें रखी गयी थीं उन में से सब से महत्वपूर्ण ये थीं कि उनके पद को पेन्शनेबल कर दिया जाये, उन का स्टेटस जूनियर कमिशन्ड आफिसर्स के समान कर दिया जाये और जब वे छुट्टी पर जाते हैं, तो उन को यात्रा का भत्ता दिया जाय अर्थात् उन को रेलवे वारंट दिया जाये। मैं यह जानना चाहता हूं क्या इन मांगों के बारे में अन्तिम निर्णय कर लिया गया है या अभी कोई आशा की जा सकती है ?

सरदार मजीठिया : हम ने इस बारे में परा विचार किया है और हम इस नतीज पर पहुंचे हैं .कजो तन्ख्वाह मिल रही है, वह मुनासिब है ।

Shri B. S. Murthy: May I know whether the Government has considered the taking of the services of *padiris* to be lent by missions and also Hindu religious teachers to be given by religious institutions instead of giving them salaries, etc.?

Sardar Majithia: That is a suggestion which can be considered.

श्री बी० डी० पांडे : श्रीमान मंत्री जी ने कहा कि पादरी साहब अच्छी पोशाक पहनते हैं । अगर हिन्दुस्तानी अच्छी पोशाक पहनें तो क्या उनको भी ज्यादा तनख्वाह दी जायेगी ?

सरदार मजीठिया : हिन्दुस्तानी भी पादरी हो सकतें हैं और हैं ।

श्री बी० डी० पांडे : चूंकि आप अच्छी अच्छी तनख्वाह पोशाक पर ही मुन हसिर रखते हैं, तो क्या अगर हिन्दुस्तानी पंडित और मौलवी भी अच्छी पोशाक पहनें तो आप उनको अच्छी तनख्वाह देना चाहते हैं ?

(कोई उत्तर नहीं दिया गया)

Mr. Speaker: That is a suggestion. The hon. Member says that there is discrimination.

श्री झुनझुनवाला : रक्षा मंत्री जी ने कहा कि यह भेद शुरू से चला आ रहा है । क्या मैं जान सकता हूं कि यह भेद बराबर जारी रखा जायेगा या कभी बन्द भी किया जायेगा ?

प्रतिरक्षा मंत्री (डा० काटजू) : इस मामले पर गौर किया जायेगा ।

श्री झुनझुनवाला : मैं यह जानना चाहता हूं कि क्या यह सरकार की नीति है कि यह भेद बराबर कायम रखा जाये ?

डा० काटजू : सरकार की यह नीति है कि हर एक शख्स अपने अपने तरीके पर चलता रहे ।

Shri Gidwani: May I konw whether these missionaries are Indians or Europeans?

Sardar Majithia: Saying offhand, I think that they belong to both the nationalities.

JAMMU AND KASHMIR INGRESS (PERMIT) RULES, 1955

***2365. Shri Kamath:** Will the Minister of **Home Affairs** be pleased to state

(a) whether his attention has been drawn to the Jammu and Kashmir Ingress (Permit) Rules, 1955, framed by the Jammu and Kashmir Government;

(b) whether his attention has also been drawn to Rule 2(a) thereof, that "India" does not include the State of Jammu and Kashmir; and

(c) if so, whether it is in consonance with Article 1 of the Constitution?

The Minister of Home Affairs (Pandit G. B. Pant): (a) Yes, Sir.

(b) and (c). The phrase is obviously merely a drafting device to avoid repetition of the phrase "India other than Jammu and Kashmir" and has no bearing on the application of Article 1 of the Constitution.

Shri Kamath: Is it a fact that these rules under reference have been framed under an Act called the Act XIV of 2011. May I know to what this 2011 refers?

Pandit G. B. Pant: 2011 may be the samvat or some era by which that particular year comes to be known as 2011 instead of 1956.

Shri Kamath: Which era?

Pandit G. B. Pant: Some era which is prevalent in Kashmir.

Shri Kamath: Is it a fact that in these rules under reference, an Indian is placed on a par with a complete foreigner, particularly in view of the fact that the form which an Indian has got to fill for entry into Jammu and Kashmir is identical with the form to be filled in by a foreigner?

Pandit G. B. Pant: The rules only require some sort of a permission to be obtained by people visiting Kashmir from the other States of India. So, there is a form which enables them to put in such an application.

Shri Kamath: Foreigners?

Mr. Speaker: They require certain details in an application. Some control: that is clear. They want only particular detail so that they may allow entry or not.

Shri Kamath: The form is identical. The only distinction made is that in the case of foreigners, it should be in triplicate and in the case of Indians, it should be in duplicate. The form is the same.

Mr. Speaker: Whatever the form, the hon. Minister says that these are the very particulars in respect of whosoever might like to go there. Kashmir or this Government would like to be satisfied.

Dr. Lanka Sundaram: In view of the radically altered situation in regard to Kashmir and also in conformity with the statements made both in Delhi and Srinagar that Kashmir is an integral part of India, will the Home Minister see to it that in Acts and notifications of this character, Kashmir is not shown distinctly as a separate entity outside India?

Pandit G. B. Pant: Where? In these rules or somewhere else?

Dr. Lanka Sundaram: Anywhere?

Pandit G. B. Pant: This Act has been passed by the Kashmir legislature and not by this Parliament.

Shri Kamath: What may be the reason for placing an Indian on a par with a foreigner so far as entry into Jammu and Kashmir is concerned?

Pandit G. B. Pant: To give the foreigners, so far as entry into Jammu and Kashmir is concerned, the same privileges as Indians enjoy.

Shri Kamath: That is funny.

All India Defence Employees Federation

***2366. Shri P. L. Kureel:** Will the Minister of **Defence** be pleased to state:

(a) whether it is a fact that the Unions/Associations representing certain categories of workers and not affiliated to the All India Defence Employees Federation have not been given any seat in the present Negotiating Machinery set up between the Government and the All India Defence Employees Federation; and

(b) if so, the reasons thereof?

The Deputy Minister of Defence (Sardar Majithia): (a) and (b). A statement is laid on the Table of the Lok Sabha. [*See* Appendix XIV; annexure No. 12.]

Shri P. L. Kureel: May I know whether the Government has received any representation from various associations of an All India character not affiliated to the All India Defence Employees' Federation for setting up a separate negotiating machinery?

Sardar Majithia: We recognise only one Association and that is the one that we are dealing with.

Shri P. L. Kureel: Is it a fact that these associations are very much dissatisfied with the present method of negotiation and may I also know what the Government proposes to do in this connection?

Sardar Majithia: The fact is that the other associations also can represent their grievances, according to the instructions issued by the Home Ministry. They are governed by them.

Sardar A. S. Saigal: May I know whether any other Association has been recognised by the Government with the All India Defence Employees Federation?

Sardar Majithia: No. The only association recognised is this one. No other association has been recognised.

Shri P. L. Kureel: May I know the difficulties which prevent the Government from giving representation to these Associations on the existing negotiating machinery?

Sardar Majithia: The association which is recognised is objecting to that.

Shri Velayudhan: How many members are there in this negotiating machinery? How much work has it done now? How many disputes have been settled?

Sardar Majithia: I shall require notice about the number of disputes settled, because negotiations are being carried on at the unit level, Command level and at the Ministry. Quite a lot of data has to be collected.

Dr. Lanka Sundaram: In view of the fact that the Federation has withdrawn the notice of strike given, may I know whether there is any continuing machinery for further discussion of the matters in dispute between the

Government and the employees, what that machinery is and what will be its scope of work?

Sardar Majithia: As I said, the instructions of the Ministry of Home Affairs are quite clear. There is no ambiguity. Under this they act.

Sardar A. S. Saigal: May I know whether the Government is insisting upon having only one Employees Federation?

Sardar Majithia: It is not a question of insistence. We take up the membership and on that we decide which is the proper association to be recognised.

Shri P. L. Kureel: Is the Government entirely satisfied with the existing arrangements for negotiation with the All India Defence Employees Federation and other associations?

Sardar Majithia: Yes; naturally.

CREDIT MARKET

*2367. **Shri Ibrahim:** Will the Minister of **Finance** be pleased to state:

(a) whether it is a fact that credit conditions in the commercial and industrial centres of the country have become difficult; and

(b) if so, reasons therefor?

The Deputy Minister of Finance (Shri B. R. Bhagat): (a) The answer is 'yes', on the assumption that the Hon'ble Member has in mind the stringency in the money market that is currently prevailing at some of the important commercial and industrial centres like Bombay and Calcutta.

(b) The emergence of seasonal stringency is a normal phenomenon of the Indian money market. This is attributable to the seasonal character of the demand for credit for the purpose of financing the movement of crops from up-country centres. This year the degree of the stringency experienced has been somewhat more pronounced than in the previous busy season. With the broadening of economic activity owing to the rise in industrial and agricultural production under the impetus of the First Five Year Plan there has been a tendency for credit demands in successive busy seasons to become more pronounced and the return of funds to the banking system in the subsequent slack season to be attenuated. Thus, as a result of the all round increase in production and consumption and the increasing price level, the volume of demand for credit has been continually on the increase during the last few years.

Shri Ibrahim: May I know what steps have been taken by Government in this direction?

Shri B. R. Bhagat: There are the normal facilities to the Scheduled Banks in respect of larger accommodation from the Reserve Bank and greater rediscounting facilities.

Shri A. M. Thomas: May I enquire whether complaints have reached the Finance Ministry that because of the State stepping in as a serious competitor for tapping the cash resources in the country by offering attractive terms of interest, the deposits in the commercial banks have been affected, and may I also enquire what exactly is the position, whether the deposits in the Scheduled Banks have increased or decreased?

Shri B. R. Bhagat: The bank deposits have increased during this period by about Rs. 215 crores.

Shri Kasliwal: From the answer given by the hon. Deputy Minister may we conclude that he is in a position to say clearly that there are no inflationary tendencies in the country?

Shri B. R. Bhagat: This question refers to the normal stringency and in answer I gave the normal measures required to meet this seasonal stringency. As far as the inflationary situation is concerned, prices are on the rise and yet we cannot say that inflation has set in. Certainly the Government has taken direct measures to control any untoward spiral or rise in prices.

Shri N. B. Chowdhury: May I know whether, in addition to the recent notification imposing restrictions on the Scheduled Banks preventing them

from advancing money for speculation on grains, Government contemplate issuing such directives with regard to any other commodity?

Shri B. R. Bhagat: The Reserve Bank, as a matter of fact, will issue directives for certain commodities in which they see that the price-rise, or speculative activity to be more correct, is going on in a rather exaggerated form. The Reserve Bank found from the analysis of the advances or the price-rise that in respect of certain commodities like rice and paddy speculative activity had been much more, and therefore they issued a specific directive. If a similar situation arises in certain other commodities, the Reserve Bank will surely issue directive in that respect also.

Shri K. P. Tripathi: May I know if as a result of the decision of the Reserve Bank to have a credit squeeze so far as crop production is concerned, there will be more funds available in the market for purposes of financing other operations?

Shri B. R. Bhagat: The Reserve Bank will certainly ensure that there are enough or adequate funds available to meet the legitimate demands of the trade.

PUBLIC SCHOOLS

***2368. Shri I. Eacharan:** Will the Minister of **Education** be pleased to state:

(a) the total number of public schools in the country State-wise and their present strength; and

(b) the number of Scheduled Castes and Scheduled Tribes students admitted and getting education through these institutions?

The Deputy Minister of Education (Dr. K. L. Shrimali): (a) and (b). A statement is laid on the Table of the House. [*See* Appendix XIV, annexure No. 13.]

Shri I. Eacharan: What is the difficulty in allotting seats to candidates of the Scheduled Castes and Scheduled Tribes in the public schools, and may I know also any management has objected to it?

Dr. K. L. Shrimali: These public schools are autonomous bodies. The Government of India only gives *ad hoc* grants. Admission to these institutions is not based on any caste or creed. It is open to all kinds of people.

Shri Ramachandra Reddi: May I know the total cost met by the Government last year?

Dr. K. L. Shrimali: Grants were given to several institutions in 1955-56. I do not have the total, but I have the grants for the separate institutions. Would the hon. Member like me to read them now or place it on the Table?

Mr. Speaker: Not necessary.

Shri Kelappan: Will the Minister take the trouble to collect the information asked for in part (b) of the question?

Dr. K. L. Shrimali: We did write to the public schools, but the difficulty is that they admit students not on the basis of caste. They do not ask for the caste. I have some information with me, but it is not complete. In some institutions, for example in the Lawrence schools there are four students of the Scheduled Castes and Scheduled Tribes, in Mayo College there are three and so on.

Shri Jangde: Is it not a fact that though the Government has given certain grants for the poorer section of the people to get admission in these public schools, the mode of selection and the way of examination and the way of teaching are such that only the sons and daughters of the officers and people living in Western style get admission and not the people of the rural or oriental type?

Dr. K. L. Shrimali: I do not subscribe to the view that the selection is made entirely on the basis of merit. All kinds of tests, including psychological tests are given, and then the students are admitted.

Shri A. M. Thomas: May I enquire whether the main handicap of the students from the Scheduled Castes and other backward classes is the prohibitive cost that they incur in these

institutions, and if so, whether Government intends to give any particular help to those students who are admitted in the public schools?

Dr. K. L. Shrimali: Government are giving some merit scholarships in some of these institutions.

Shri B. S. Murthy: In view of the fact that large grants are being given to these public schools, will the Government be pleased to issue instructions to them to have a certain quota reserved for deserving Scheduled Castes boys and girls?

Dr. K. L. Shrimali: This matter will be examined by the Government.

Shri Jangde: One more question.

Mr. Speaker: I have allowed ten questions.

सचिवालय सेवा में प्रशिक्षण

*२३७०. **श्री के० सी० सोधिया :** क्या गृह-कार्य मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या सरकार ने भाग 'क' राज्यों के केन्द्रीय सचिवालय सेवा के कर्मचारियों को प्रशिक्षण देने के लिये कोई योजना बनाई है;

(ख) यदि हां, तो उसे कब कार्यान्वित किया जायेगा ;

(ग) इस योजना के अन्तर्गत १९५६-५७ में कितने पदाधिकारियों के लिये प्रशिक्षण की व्यवस्था की जायेगी, ऐसे प्रशिक्षण की अवधि क्या होगी, और प्रशिक्षण के लिये पदाधिकारियों का चुनाव करते समय कौन सी शिक्षा योग्यतायें आवश्यक समझी जायेंगी; और

(घ) यह प्रशिक्षण योजना किस उद्देश्य की पूर्ति के लिये शुरू की जा रही है ?

गृह-कार्य मंत्री (पंडित जी० बी० पंत) : (क) जी हां। १९५२ से योजना काम में लाई जा रही है।

(ख) प्रश्न ही नहीं उठता।

(ग) १०। प्रशिक्षण काल दो वर्ष का है। जो अधिकारी ४५ वर्ष से कम तथा सचिवालय सेवा की प्रथम श्रेणी में नियुक्ति के योग्य हैं प्रशिक्षण के लिय चुने जाते हैं।

(घ) जिलों के प्रशासन से वास्तविक सम्पर्क द्वारा अधिकारियों का दृष्टिकोण विस्तृत करना।

श्री के० सी० सोधिया : क्या यह शिक्षार्थी हर साल चुने जाते हैं और यदि हर साल चुने जाते हैं तो पार साल उनकी संख्या कितनी थी ?

पंडित जी० बी० पंत : अभी तो हर साल चुने जात हैं, कोई चार साल से यह तरीका जारी है और जिस अर्से तक इसकी जरूरत समझी जायेगी इसको जारी रक्खा जायेगा, मुमकिन है कि २-३ साल और चुने जायें।

श्री के० सी० सोधिया : मैंने उनकी संख्या दरियाफ्त की है।

पंडित जी० बी० पंत : कोई संख्या ऐसी निश्चित नहीं है कि हर साल बराबर हो, पार साल दस चुने गये जैसा कि इसमें लिखा हुआ है।

श्री भक्त दर्शन : क्या मैं जान सकता हूं कि यह अफसर जो कि प्रान्तीय सरकारों के पास दो वर्ष की ट्रेनिंग के लिए भेजे जाते हैं वहां से लौटने के बाद उन्हें उन्हीं पदों पर नियुक्त किया जाएगा या उनकी योग्यता के अनुसार पदोन्नति की जायेगी ?

पंडित जी० बी० पंत : अगर योग्य निकलते हैं तो पदोन्नति होती है।

Confirmation of Government Employees

*2371. **Shri S. C. Samanta:** Will the Minister of **Home Affairs** be pleased to state:

(a) whether Government had issued a circular, that 80 per cent. of the employees in a particular department should be confirmed provided that department was to last long;

(b) if so, when;

(c) how far the Ministry of Home Affairs have taken steps in the matter; and

(d) how many years of satisfactory service are required to make an employee acquire quasi-permanent or permanent status?

The Minister of Home Affairs (Pandit G. B. Pant): (a) and (b). Orders were issued on the 30th November 1955 for the conversion of

80% of the temporary posts which are required on a long term basis into permanent ones in the various Ministries and Attached Offices. In the case of Class IV posts, the proportion is 50%. The orders in respect of Subordinate Offices issued in August 1951.

(c) Action has been initiated by the Ministry of Home Affairs and the various Attached Offices under its control for formulating proposals for the conversion of temporary posts into permanent ones, in accordance with the instructions referred to above.

(d) A copy of the Central Civil Services (Temporary Services) Rules, 1949 which deals with quasi-permanent status is placed on the Table of the House. [*See* Appendix XIV, annexure No. 14.] Regarding grant of permanent status no minimum length of service is prescribed. It depends on the availability of permanent posts and suitability with due regard to seniority of the persons concerned.

Shri S. C. Samanta: The colleague of the Minister of Home Affairs had told us during the budget discussion that the Finance Ministry had issued a circular to the effect that eighty per cent of the employees in a department should be confirmed if that department were to last long. May I know whether any action has been taken in that matter?

Pandit G. B. Pant: The Finance Ministry have also issued a circular for converting eighty per cent of the temporary posts into permanent ones.

Shri Velayudhan: May I know whether Government have taken any decision to confirm at least those employees who come under the quasi-permanent category, namely, those who have put in three years' service?

Pandit G. B. Pant: Confirmation is determined by various factors. It depends on the occurrence of vacancies in the list, on the suitability of the person for confirmation, and on his place in the seniority list. It does not depend solely on the length of service put in by an officer.

Shri Sadhan Gupta: May I know whether any definite rules have been laid down departmentally for deciding about the suitability, or whether it is left to the subjective decision of the superior officers?

Pandit G. B. Pant: I believe there are rules, but I would very much like to be guided by the views of the superior officers.

Shri R. P. Garg: May I know whether the Minister can indicate to us the number of temporary employees serving under the Central Government?

Pandit G. B. Pant: The statistics are being collected.

Indo-Japanese Cultural Agreement

***2372. Shri Radha Raman:** Will the Minister of **Education** be pleased to state:

(a) whether the Government of India are negotiating with the Government of Japan to conclude a Cultural Agreement;

(b) if so, at what stage the negotiations have reached; and

(c) when this agreement is to be concluded?

The Deputy Minister of Education (Dr. M. M. Das): (a) Yes, Sir.

(b) Certain clauses of the Agreement are still under consideration of both the Governments.

(c) No indication can be given at this stage.

Shri Radha Raman: May I know whether any negotiations with any other South-East Asian countries are being made for entering into cultural agreements?

Dr. M. M. Das: A cultural agreement with Indonesia was signed at New Delhi in December 1955, but it has not yet been ratified.

Shri Radha Raman: What are the conditions attached to such agreements?

Dr. M. M. Das: We have entered into a cultural agreement with Turkey, which is taken as the model, so far as the Government of India are concerned. There are a number of items in the agreement. If you would permit me, I could go on.....

Mr. Speaker: How long is the list?

Dr. M. M. Das: Only a few items are there. They are as follows: (i) exchange of university teachers and teachers of scientific and cultural insitutions, (ii) granting of scholarships, (iii) providing training facilities in industrial and technological institutions, (iv) establishment of cultural institutions like libraries, film libraries, etc., (v) sport competition, etc., and (vi) scrutiny of the text-books, so that nothing unhappy may enter into the text-books of one country about the other country and some other items.

OIL PROSPECTING

*2374. **Shri Gidwani:** Will the Minister of **Natural Resources and Scientific Research** be pleased to state:

(a) whether it is a fact that Government propose to recruit post-graduate Science students to intensify oil prospecting operations;

(b) if so, the number of students proposed to be recruited and the terms on which the recruitment will be made; and

(c) when the scheme will be implemented?

The Minsiter of Natural Resources (Shri K. D. Malaviya): (a) to (c). It is proposed to recruit about 60 post-graduates for training in Geology and about 80 for training in Geophysics. It is proposed to give them training for a period of four months during which period they will be granted a monthly stipend. On successful completion of the training, they will be eligible for appointment in the posts of Geologists and Geophysicists in the Oil and Natural Gas Directorate.

Advertisements are being issued through the Union Public Service Commission and the training will commence as soon as the candidates are selected.

Shri Gidwani: May I know where the training will be given, and where the training-centres will be opened?

Shri K. D. Malaviya: There will be only one training-centre and that will most probably be in Dehra Dun. Failing that, it will be at Calcutta.

Shri C. R. Narasimhan: May I know the time-table for this training programme, when it is likely to commence, and whether the period of training is considered adequate?

Shri K. D. Malaviya: Originally, the programme of training was to have commenced from 15th of April. But since we have not yet been able to make the selections, we have now proposed that as soon as the UPSC has completed the selections, these classes will start, that is, from 1st July. The training courses will continue for about four months, and then the candidates will be sent on field work for apprentice trainingship. After that, they will be accepted as regular geologists and geophysicists.

Shri C. R. Narasimhan: I wanted to know also whether the period of training was considered adequate. The Minister has not answered that part of the question.

Shri K. D. Malaviya: This question has been carefully considered, and the opinion of the experts is that four months' training for physics and mathematics students is considered adequate for the work that they are expected to do.

RUSSIAN OIL EXPERTS

*2375. **Shri C. R. Narasimhan:** Will the Minister of **Natural Resources and Scientific Research** be pleased to state:

(a) whether the Russian team of oil experts has left India;

(b) whether they have submitted their report;

(c) the main features thereof;

(d) the manner in which this report will influence Government's programme of oil prospecting for the current and coming years; and

(e) whether it will be necessary to invite this team for further advice at a future date?

The Minister of Natural Resources (Shri K. D. Malaviya): (a) Yes, Sir.

(b) to (d). A statement giving the required information is laid on the Table of the House. [*See* Appendix XIV, annexure No. 15.]

(e) It may be necessary to invite the team or some individual experts for consultation at a later date.

Shri C. R. Narasimhan: The statement placed on the Table gives a vast programme for the exploration of oil in the coming few years. May I know the estimated cost of the programme that the Russian team has suggested, whether Russian experts and technicians will be invited to this country, if so, the cost to be incurred on those experts who will come here, how many of them will come here, and what will be the number of units that will come?

Shri K. D. Malaviya: These are matters of great detail. The financial involvement of the entire scheme, as is presently being considered by us, will be roughly about Rs. 30 crores in the next five years to come. A large number of experts will have to be invited from abroad, and the proportion of expenditure on them to the entire expenditure will not be very much—perhaps it will be very little.

Shri Sadhan Gupta: May I know which parts of West Bengal have been suggested as possible fields for obtaining oil in good quantity, and if any parts have been suggested, what the programme is with regard to those parts?

Shri K. D. Malaviya: So far as the present exploration programme of Government is concerned, the West Bengal area is out of it, because that has gone to the Indo-Stanvac Co., in which the Standard Vacuum Oil Company is a major partner, and the work of oil exploration there lies with them.

Shri Boovaraghasamy: From the statement, I find:

> "During the coming five years it will be best to concentrate attention in two States—Punjab and Rajasthan (Jaisalmer area) which are the most studied and where the prospects are encouraging."

May I know whether the experts themselves studied these two States first, or whether any special advice was given to them by Government to select only these two States for a thorough study? May I also know the total time devoted for oil research in India, and how much out of it has been devoted to these two States?

Shri K. D. Malaviya: Unfortunately, oil cannot be found according to our desire and wishes. But the most important factor which decides the selection of areas for oil exploration is the geological formation for oil. The States of Punjab and Rajasthan are most favourable from that point of view. Therefore, we have got to concentrate our attention first on these areas.

Shri Hem Raj: From the statement, I find that the names of five places have been mentioned so far as Punjab is concerned for the purpose of drilling. May I know whether drilling will take place simultaneously in these places or whether there will be priority given to any particular place?

Shri K. D. Malaviya: No, Sir. Drilling cannot take place simultaneously just now.

Shri Debendra Nath Sarma: In the report, nothing has been mentioned about Assam oil fields. May I know whether the Russian experts have said anything about the Assam oil fields? If so, what have they said?

Shri K. D. Malaviya: The Assam oil fields come under the scope of an agreement with the Assam Oil Company, and they are outside the purview of the Government's oil exploration programme. But the Russian experts did go there and offer some advice to us with regard to assessment of the oil exploration programme there.

हिंदी का प्रयोग

*२३७८. **श्री पी० एल० बारुपाल** : क्या गृह-कार्य मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि दिल्ली पुलिस विभाग में सब काम उर्दू में किया जाता है, जब कि पुलिस विभाग के अधिकांश कर्मचारी हिन्दी जानते हैं ;

(ख) क्या सरकार को यह पता है कि कामकाज में उर्दू का प्रयोग करने के कारण अन्य भाषा (हिन्दी) जानने वाले लोगों के साथ अन्याय किया जाता है; और

(ग) क्या यह सच है कि जब पुलिस स्टेशन में कोई रिपोर्ट दर्ज कराई जाती है तो पुलिस पदाधिकारी उर्दू में कुछ का कुछ लिखने के बाद उस पर सम्बन्धित व्यक्ति के जो नहीं जानता कि उसके नाम से उर्दू में क्या लिख दिया गया है, हस्ताक्षर करवा लेता है ?

गृह-कार्य मंत्री (पंडित जी० बी० पंत) : (क) जी हां ।

(ख) तथा (ग) . जहां तक सरकार की जानकारी है, किसी के साथ अन्याय नहीं किया जा रहा है । जब कभी कोई रिपोर्ट पुलिस स्टेशन में दर्ज कराई जाती है तो उस पर हस्ताक्षर लेने से पूर्व वह सम्बन्धित व्यक्ति को पढ़ कर सुना दी जाती है और इसके लिये उस रिपोर्ट को प्रमाणित भी कर दिया जाता है ।

श्री पी० एल० बारुपाल : क्या मैं जान सकता हूं कि हिंदी न जानने वाले पुलिस अधिकारियों को हिंदी की शिक्षा देने के लिए सरकार ने कोई योजना बनाई है ?

पंडित जी० बी० पंत : जी हा, काफी लोग हिंदी जानते हैं और बाकी जितने हैं उनको भी हिंदी सिखाने का यत्न किया जा रहा हैं ।

Shri Radha Raman: May I know whether Government will consider the feasibility of issuing instructions to the Delhi Police to the effect that first information recorded in their office notes is in the language which the person concerned knows, and not in any other language?

Pandit G. B. Pant: I am not aware of any case in which a person is reported to have wanted his report to be recorded in a particular language and he has been denied that facility.

पंडित डी० एन० तिवारी : जबकि काफी लोग हिंदी जानते हैं और बहुत से हिंदी सीख रहे हैं तो क्या कारण है कि फर्स्ट इनफर्मेशन रिपोर्ट तथा दूसरी चीजें उर्दू में लिखी जाती है ?

पंडित जी० बी० पंत : यहां अदालतों का काम सब उर्दू में होता है और पुलिस के जो कागजात होते हैं वे आम तौर पर अदालतों के इस्तेमाल के लिए ही तैयार किए जाते हैं ।

Shri Kelappan: With reference to the answer to part (a) of the question, may I know how work is being done in other departments?

Pandit G. B. Pant: The question relates to the Delhi Police department and the answer is confined to that.

Shri Kelappan: Is it because Urdu is the regional language that it is being carried on in Urdu?

Pandit G. B. Pant: I know this much, that work in the Police department is conducted in Urdu, so far as police papers are concerned. I do not think that any regional language has been formally declared for the purpose.

Shri Kelappan: Will Government consider the question of switching over to Hindi?

Mr. Speaker: It is a suggestion of the hon. Member—giving up Urdu in favour of Hindi.

Pandit G. B. Pant: That will be considered.

Backward Classes Commission's Report

*2379. **Shri M. L. Agrawal:** Will the Minister of **Home Affairs** be pleased to state whether the report of the Backward Classes Commission will be circulated among the Members of Parliament at least 15 days before the Bill is taken into consideration in view of the introduction in the Lok Sabha of, "The Scheduled Castes and Scheduled Tribes Order (Amendment) Bill, 1956"?

The Minister of Home Affairs (Pandit G. B. Pant): It is hoped that the report will be laid on the Table of the House before the Bill is taken into consideration.

Shri M. L. Agrawal: When was this Report presented to the Government, and why has it not been possible to publish it by now?

Pandit G. B. Pant: The Report was received last year, and it has not yet been published, because along with it, a memorandum has also to be issued. The State Governments had to be consulted. The Report itself contains many dissentient opinions. The Chairman, in matters of very great importance, seems to hold an opinion different from some of the members. The terms of reference called for very elaborate inquiry and investigations, and the answers that have been given by the Commission have to be considered very closely and with utmost attention.

Dr. Lanka Sundaram: In view of the statement just now made by the Home Minister that there is a wide divergence of opinion among the members of the Commission, may I know whether the entire Report will be placed on the Table of the House without any expurgation, as also the relevant documents attached to the Report?

Pandit G. B. Pant: I have been just thinking if the third part of the Report, which contains the dissenting Minutes which, unfortunately, happen to contain certain—I would not say, views—statements which, instead of promoting unity and cohesion, may perhaps have a disintegrating and disruptive effect, should be published or not.

Shri M. L. Agrawal: May I know if the views of State Governments on the Report have been obtained?

Pandit G. B. Pant: Yes. Some of the State Governments have sent their answers. But, I consulted their representatives last when they were here, and very few of them seemed to be enthusiastic about publicity being given to this Report.

Shri Vallatharas: In view of the fact that the hon. Minister a few days back, in reply to a question, gave an assurance that the Report would be placed on the Table of the House in a *few* days—"few" being underlined—will it please the hon. Minister to state whether Government will be able to place the Report on the Table before the conclusion of the current session?

Pandit G. B. Pant: I have said that we will try to place the Report on the Table of the House before the Bill is taken up for consideration.

Shri Ramachandra Reddi: In the light of the statement made by the hon. Minister, may I know whether the Chairman submitted a separate Report or whether the Report has been circulated amongst the other members before it was submitted to the Government?

Pandit G. B. Pant: The Chairman has sent a foreword which appears in the front page of the Report.

Shri B. S. Murthy: In view of the fact that the views of several members of the Commission are very important to understand, as to how the question has been approached, may I know whether Government will be pleased to place the dissentient notes *in toto* on the Table without trying, as the hon. Home Minister seemed to suggest, to abridge all the dissenting notes?

Mr. Speaker: The hon. Minister has already answered. The hon. Member wants to persuade him to take a different view.

N.C.C. CADETS

***2380. Shri Madiah Gowda:** Will the Minister of **Defence** be pleased to state:

(a) the total number of N. C. C. Cadets admitted to the National Defence Academy during 1955;

(b) the number among them who were from the States of Hyderabad, Travancore-Cochin, Andhra, Mysore, Madras, Delhi and Punjab; and

(c) the basis on which these selections are made?

The Deputy Minister of Defence (Sardar Majithia): (a) 140.

(b) 81.

(c) The selection of candidates for admission to the National Defence Academy is made in accordance with the merit list of successful candidates prepared by the Union Public Service Commission on the basis of the combined result of the written examination conducted by them and the interview test held by the Services Selection Board. The selected candidates have also to conform to the prescribed minimum medical and physical standards.

Shri Madiah Gowda: May I request the Deputy Minister to give figures for each one of the States mentioned in part (b) of the question?

Mr. Speaker: I am not going to allow it. Why does not the answer contain the break-up also?

Sardar Majithia: I have given it collectively. If he wants the figures separately, I can give them.

Mr. Speaker: Why are they not given already? The number here means the number from each and not the total number. If he had only wanted the total number, he would have said so. Why not avoid time being taken away?

Sardar Majithia: I will give it now, Sir.

Mr. Speaker: There is no meaning in giving it now. The hon. Minister must have given it earlier.

Sardar Majithia: I am sorry for that, Sir. The figures are: Hyderabad—nil; Travancore-Cochin—Nil; Andhra—1; Mysore—1; Madras—5; Delhi—23 and Punjab—51.

Shri Madiah Gowda: May I know whether, in the matter of admission to the National Defence Academy, the Government has any idea of minimising the disparity in the number just now given for the different States?

The Minister of Defence (Dr. Katju): What exactly does that mean? We are going by merit, and by examination.

Shri B. S. Murthy: Where is the merit?

Mr. Speaker: Merit is always there.

MINISTRY OF DEFENCE SECURITY CORPS

***2381. Ram Subhag Singh:** Will the Minister of **Defence** be pleased to state:

(a) whether it is a fact that Government have decided to give the benefit of the improved rates of service pension to the personnel of the Ministry of Defence Security Corps; and

(b) if so, when it will come into force?

The Deputy Minister of Defence (Sardar Majithia): (a) Yes, Sir. Orders on the subject were issued on the 9th April 1956.

(b) The revised terms have effect from the 1st June 1953.

Dr. Ram Subhag Singh: What is the scale of the new pension?

Sardar Majithia: The scales are given in the Army Instructions, dated 9th April, 1956.

Dr. Ram Subhag Singh: May I know whether the benefit of these new pension scales is going to be given to all the personnel of the Defence Security Corps?

Sardar Majithia: I said that they apply to the Ministry of Defence Security Corps and the revised instructions take effect from 1st June 1953 and all those covered will be given.

ARTIFICIAL RAIN

***2382. Shri Dabhi:** Will the Minister of **Natural Resources and Scientific Research** be pleased to state:

(a) whether the attention of Government has been drawn to a Reuter message from Dar-Es-Salaam dated the 7th May, 1956 stating that common salt, fired into clouds in two-inch naval rockets, has produced rain in experiments this week at Tabora, Central Tanganyika; and

(b) if so, whether Government propose to make similar experiments in India?

The Minister of Natural Resources (Shri K. D. Malaviya): (a) and (b). Yes, Sir.

Shri Dabhi: May I know whether Government's attention has been drawn to another P.T.I. message from Ootacamund dated the 17th May, 1956, saying that at Mukurti, 17 miles from here, the team sprayed on low-hanging clouds a mixture of calcium chloride and sodium chloride and 3 hours later, the village received showers of rain?

Shri K. D. Malaviya: My attention has not been drawn to that and I have not seen that in the papers. But, I may state here that this cloud-seeding trial based on the method of salt spraying is very well-known and it is tried by the dispersal of salt particles from aeroplane or by power sprays from the surface. We are also likely to take up one of these methods soon after our two scientists return from Australia. But, in the meantime, our unit in the National Physical Laboratory has been making arrangements for this cloud-seeding by sprinkling salt.

Shri Dabhi: May I know.....

Mr. Speaker: This question has been asked a number of times here.

ADIVASI HOSTEL

*2383. **Shri Amar Singh Damar:** Will the Minister of **Home Affairs** be pleased to state:

(a) whether a sum of Rs. 10,000 sanctioned for an Adivasi Hostel in village Raipuria of Jhabua District was withheld originally on complaints by public of misuse of money but Government are again proposing to disburse the amount; and

(b) whether any investigation into the public complaints of misuse of money was held and if so, with what results?

The Minister of Home Affairs (Pandit G. B. Pant): (a) The State Government have informed that it is not a fact that a sum of Rs. 10,000 was sanctioned for an Adivasi Hostel in village Raipuria. Sanction was, however, accorded by the State Government for running a hostel at the approved rates according to which the Collector of Jhabua district disbursed only Rs. 1,400 for this hostel.

(b) An enquiry has been ordered by the State Government into the complaints of misuse of money. The result of the enquiry is awaited.

श्री अमर सिंह डामर : क्या सरकार को पता है कि कलक्टर, झाबुआ ने पत्र क्रमांक १२६८ दिनांक १८-४-५६ के द्वारा छात्रावास से सम्बन्धित व्यक्तियों से झुठारे कार्ड पेश करने पर जवाब तलब किया था ?

पंडित जी० बी० पंत : मालूम होता है कि किया था, क्योंकि तहकीकात हो रही है ।

SOUTHERN REGIONAL HIGHER TECHNOLOGICAL INSTITUTE

*2384. **Shri T. B. Vittal Rao:** Will the Minister of **Education** be pleased to state:

(a) whether the Southern Regional Committee of All India Council for Technical Education at its meeting on the 4th May, 1956 have recommended any site or sites for the location of the Southern Regional Higher Technological Institute;

(b) if so, the site or sites recommended; and

(c) the decision of Government thereon?

The Deputy Minister of Education (Dr. M. M. Das): (a) and (b). The Regional Committee has recommended that the Institute be located in Madras, but has not selected any particular site for the purpose.

(c) The matter is under consideration.

Shri T. B. Vittal Rao: May I know when a decision will be taken, in view of the fact that selecting a site itself has taken more than a year?

Dr. M. M. Das: The decision may be finally taken within 3 to 6 months.

Shri T. B. Vittal Rao: May I know if the Government has recommended that this Institute should be housed in the present Engineering College; and, if so, whether the Madras Government has laid down any conditions?

Dr. M. M. Das: The Government of Madras offered the Guindy Engineering College purely by way of a proposal, and no decision has yet been taken.

Shri T. B. Vittal Rao: For the setting up of this Institute, will the aid of the United Nations be sought as was done in the case of the Eastern and Western Technological Institutes?

Dr. M. M. Das: It is too early to commit anything on the floor of this House on this particular matter.

MERGER OF BIHAR AND WEST BENGAL

***2385. Shri B. K. Das:** Will the Minister of **Home Affairs** be pleased to state:

(a) whether the Chief Minister of West Bengal has communicated to Government his intention not to proceed further with the proposal of the merger of West Bengal and Bihar;

(b) the reasons for the same;

(c) whether the time schedule for completing the re-organisation of the States will be adhered to in the matter of territorial readjustment between the States of Bihar and West Bengal; and

(d) when the Bill containing the provisions for the adjustment of boundaries between West Bengal and Bihar will be introduced?

The Minister of Home Affairs (Pandit G. B. Pant): (a) Yes.

(b) The Chief Minister was of the view that considering the state of public opinion time was not ripe for such a proposal.

(c) and (d). A Bill to give effect to the decisions announced on 16th January, 1956, regarding territorial adjustments between the States of Bihar and West Bengal is under preparation. It is hoped to give effect to the decisions of Parliament in this regard along with the general scheme of reorganisation embodied in the States Reorganisation Bill.

Shri B. K. Das: May I know about what time the Bill will be circulated to the respective Governments of West Bengal and Bihar?

Pandit G. B. Pant: I hope, before long.

Shri B. K. Das: May I know whether, when the present S. R. Bill will be taken up by Parliament for consideration in the next session, it is expected that this Bill will also be taken up along with that?

Pandit G. B. Pant: The Bill will be taken up by Parliament in due course.

Shri N. B. Chowdhury: May I know whether Government have taken any steps to see that the reactions of the States of West Bengal and Bihar on the draft Bill are made available to us before the discussion on the Joint Committee's Report on the S. R. Bill is taken up in this House?

Pandit G. B. Pant: If people do not acquaint themselves with or are not conversant with what is happening outside and want such information, Government will try to place the necessary reports before them from the States concerned.

Shri Kamath: In view of the West Bengal Chief Minister's reported change in his stand owing to the popular verdict in the West Bengal Assembly and Lok Sabha bye-elections and in view of the fact that Government have accepted his report and change of stand, do they propose to accept the popular verdict of the bye-election in Maharashtra *vis-a-vis* Bombay?

Pandit G. B. Pant: The Government do not accept or reject anything. The Government are prepared to agree to any arrangement that would be voluntarily reached between the two States of Bengal and Bihar. Unfortunately, no such agreement could be reached. So, there was nothing before the Government to consider.

Pandit D. N. Tiwary: May I know whether the Government is aware of a strong feeling in Kishenganj in Purnea district about the inclusion of this part in Bengal?

Pandit G. B. Pant: There is apparently a strong feeling so far as reports in the Press indicate.

Dr. Ram Subhag Singh: May I know whether Government have taken note of the statement made by the Chief Minister of Bihar, and, if so, whether Government have arrived at any decision in that regard?

Pandit G. B. Pant: Government take note of every statement made by any person which has a bearing on the subject.

Shri Sadhan Gupta: What was the reason for modifying the S.R.C. proposal by excluding 500 sq. miles of territory in Purulia sub-division if the principle is that nothing should be modified except by agreement between the parties concerned? May I know whether the Minister is aware that this modification is not accepted by the people of West Bengal?

Pandit G. B. Pant: The people of Bihar do not accept the rest of the proposal altogether.

Mr. Speaker: There will be discussion on this later on.

NATIONAL INCOME CONFERENCE

***2387. Shri Shree Narayan Das:** Will the Minister of **Finance** be pleased to refer to reply given to Starred Question No. 2324 on the 28th September, 1955 and state:

(a) whether any National Income Conference with a view to finalise a programme of research on national income has been convened;

(b) if so, the nature of subjects discussed, decisions taken and recommendations made by it?

The Deputy Minister of Finance (Shri B. R. Bhagat): (a) No, Sir; but on the advice of the Fourth Joint Conference of Central and State Statisticians held in December, 1955, it has now been decided to convene a seminar instead, in which representatives of some Universities and research institutions have been invited to participate. In order to give the participants time for detailed study, the seminar is proposed to be held in October, 1956.

(b) Does not arise.

Shri Shree Narayan Das: May I know whether the representatives of Universities and other experts would be invited to the seminar, and if so, who they are?

Shri B. R. Bhagat: The list of the invitees has not yet been finally drawn up, but I think all those who are interested in the seminar and have expert knowledge of this thing will be invited.

WRITTEN ANSWERS TO QUESTIONS

NATIONAL MUSEUM

***2358. Shri Krishnacharya Joshi; Shri Eswara Reddi; Sardar Akarpuri; Shri Ranjit Singh:**

Will the Minister of **Education** be pleased to state:

(a) the progress made in the construction of a building for the National Museum in Delhi; and

(b) the time required for the completion of the work?

The Deputy Minister of Education (Dr. M. M. Das): (a) and (b). Construction of the building of the National Museum has been divided into four phases. Work on the first phase has been taken in hand and the progress upto 31-3-56 is about 16% of the first phase. The work of first phase is expected to be completed by the end of March, 1958. The work of the whole building is expected to be completed during the Second Five Year Plan period.

STUDY OF RUSSIAN LANGUAGE

***2360. Shri Gadilingana Gowd:** Will the Minister of **Education** be pleased to state:

(a) whether Government propose to develop the study of Russian Language in India; and

(b) if so, the details of programme?

The Deputy Minister of Education (Dr. M. M. Das): (a) and (b). A statement is laid on the Table of the Lok Sabha. [*See* Appendix XIV, annexure No. 16.]

STATE SOCIAL WELFARE ADVISORY BOARDS

***2361. Shri Bheekha Bhai:** Will the Minister of **Education** be pleased to State:

(a) whether it is a fact that the activities of the State Social Welfare Advisory Boards have not touched the fringe of the Scheduled areas of the various States; and

(b) the number of tours that have been undertaken during 1955-56 by the staff of the various State Boards in those areas?

The Deputy Minister of Education (Dr. M. M. Das): (a) No, Sir.

(b) The information is being collected and will be laid on the Table of the Lok Sabha as soon as possible.

ASSAM OIL FIELDS

***2369. Shri Bhagwat Jha Azad:** Will the Minister of **Natural Resources and Scientific Research** be pleased to refer to the reply given to a supplementary raised on Starred Question No. 1722 on the 25th April, 1956 and state:

(a) whether assessment has been made of the quantity of oil in the new finds of Assam oil fields; and

(b) if so, the results thereof?

The Minister of Natural Resources (Shri K. D. Malaviya): (a) and (b). The Assam Oil Company have obtained an estimate over part of the area through a firm of consultants as amounting to about 18 million tons.

MILITARY TRAINING

***2373. Shri H. G. Vaishnav:** Will the Minister of **Defence** be pleased to refer to the reply given to Starred Question No. 2035 on the 8th May, 1956 and state the approximate number of civilians who will be given Military training till the end of 1956?

The Deputy Minister of Defence (Sardar Majithia): The scheme is being run as an experimental measure at three centres and each centre is designed to train 120 volunteers at a time. The training is given until a candidate becomes proficient. In absence of a prescribed minimum duration of the training, the total number likely to be trained by the end of 1956 cannot be forecast.

TRIBAL FOLK-SONGS

***2377. Shri Deogam:** Will the Minister of **Education** be pleased to state whether any steps have been taken to collect and publish tribal folk-songs in various tribal languages as an aid to Social Education among the Tribals?

The Deputy Minister of Education (Dr. M. M. Das): The matter is under consideration.

I.A.S. EMERGENCY RECRUITMENT

***2386. Shri D. C. Sharma:** Will the Minister of **Home Affairs** be pleased to state:

(a) the reasons which influenced Government in prescribing a monthly income of Rs. 300 as a condition of eligibility for recruitment to the I. A. S.;

(b) whether in the case of a non-Government servant, pay and all allowances will constitute the income required under the qualifications;

(c) if so, the reasons why in the case of a Government servant, pay and dearness allowance have only been taken into account and not the total emoluments; and

(d) whether Government propose to consider the question of including the total emoluments of Government servants for the purpose of computing the income?

The Minister of Home Affairs (Pandit G. B. Pant): (a) The Special Recruitment to the I.A.S. is intended for selection of persons with experience. One of the criteria on which experience can be evaluated is the income derived therefrom. From this point of view, an income level of Rs. 300 p.m. is not excessive.

(b) No; only Dearness Allowance is included, and that is both for Government servants and for non-Government servants.

(c) Does not arise.

(d) No.

हिन्दी टाईपरायटर

*२३८८. **श्री भक्त दर्शन** : क्या शिक्षा मंत्री २ मार्च, १९५६ के तारांकित प्रश्न संख्या ४०६ के उत्तर के संबंध में यह बताने की कृपा करेंगे कि हिन्दी टाइपरायटरों के की-बोर्डों के प्रमापीकण के लिये नियुक्त विशेष समिति की सिफारिशों के बारे में अन्तिम निर्णय करने में अब तक क्या प्रगति हुई है ?

शिक्षा उपमंत्री (डा० एम० एम० दास) : दिसम्बर, १९५५ में प्रकाशित अन्तिम टाइपराइटर की-बोर्ड पर जो सुझाव प्राप्त हुए थे उनके प्रकाश में की-बोर्डों को अंतिम रूप दिया जा रहा है ।

Transfer of Hyderabad Fund to Pakistan

*2389. **Shri Krishnacharya Joshi:** Will the Minister of **Home Affairs** be pleased to state:

(a) the progress made in the case of Hyderabad money illegally transferred to Pakistan by Shri Moin Nawaj Jung; and

(b) how the case stands to day?

The Minister of Home Affairs (Pandit G. B. Pant): (a) and (b). The case is still pending in courts in the United Kingdom.

Scientific and Professional Instruments

*2390. **Shri Gadilingana Gowd:** Will the Minister of **Finance** be pleased to state:

(a) whether it is a fact that the U.S. International Co-operation Administration on the 7th April, 1956 announced new authorisations for the purchase of scientific and professional instruments for use in India;

(b) if so, the total amount of authorisations; and

(c) the name of the agency through which the procurement of the equipment will be carried?

The Deputy Minister of Finance (Shri B. R. Bhagat): (a) The announcement related to the issue of a purchase authorisation for the procurement of some equipment for the Health Research and Education Project, an Agreement in respect of which was signed on the 30th of June 1955. Copies of this Agreement are in the library of the House.

(b) The amount provided in the authorisation was $6,670.

(c) The India Supply Mission, Washington will procure the equipment.

Negotiating Machinery Meeting

*2391. **Shri P. L. Kureel:**
Shri G. L. Chaudhary:

Will the Minister of **Defence** be pleased to state:

(a) whether it is a fact that certain *ex-parte* decisions were taken in the Negotiating Machinery Meeting held on the 31st January, 1955 between the Government and the All India Defence Employees Federation disturbing the seniority of clerks not represented by the Federation;

(b) whether various representations have been made by the Associations representing regular clerks against the wrong done to them; and

(c) if so, the action taken to rectify matters?

The Deputy Minister of Defence (Sardar Majithia): (a) to (c). A statement is laid on the Table of the House. [*See* Appendix XIV, annexure No. 17.]

Financing of Churches

*2392. **Shri Ibrahim:** Will the Minister of **Finance** be pleased to state:

(a) the amount of money received from foreign countries during 1955-56 for financing and maintaining the Churches in India; and

(b) the percentage of this amount spent in India by Churches (i) for propaganda work and (ii) for charity?

The Deputy Minister of Finance (Shri B. R. Bhagat): (a) A statement giving information from January 1955 to February 1956 is laid on the Table of the House. [*See* Appendix XIV, annexure No. 18.]

(b) Government has no information.

STATE BANK OF INDIA

*2393. **Sardar Iqbal Singh:**
Sardar Akarpuri:

Will the Minister of **Finance** be pleased to state:

(a) whether the conversion of the Imperial Bank of India into the State Bank of India has affected the deposits and withdrawals position during the year 1955-56; and

(b) if so, in what respect?

The Deputy Minister of Finance (Shri B. R. Bhagat): (a) and (b). Attention is invited to the reply given to Starred Question No. 1407 in the Sabha on the 3rd September, 1955. The downward trend noticed in the period from the 30th December, 1954 and June, 1955, has been reversed and the deposits have increased by Rs. 30·34 crores between the 29th July, 1955 and the 24th February, 1956, while those of the other scheduled banks showed a rise of Rs. 14·48 crores only, during this period.

BYE-ELECTIONS

***2394. Shri Kamath:** Will the Minister of **Law** be pleased to state:

(a) whether it is a fact that the Chief Election Commissioner was present during the counting of votes at some of the recent bye-elections to the State Assemblies and to the Lok Sabha;

(b) if so, at which places he was present since the 1st April, 1955; and

(c) whether any change in the existing procedure of counting of votes is under consideration?

The Minister of Legal Affairs (Shri Pataskar): (a) Yes.

(b) (i) Betul within Hoshangabad Parliamentary constituency in Madhya Pradesh;

(ii) Jind within Mohindergarh Parliamentary constituency in PEPSU; and

(iii) Bilgram within Bilgram (East) Assembly constituency in Uttar Pradesh;

(c) No change in the existing procedure of counting of votes is under consideration except what is contained in the Representation of the People (Second Amendment) Bill, 1955 recently passed by this House (the Lok Sabha); the provisions of this Bill seek to permit candidates to employ a larger number of counting agents (subject to prescribed limits) than what is allowed by the existing law.

I.A.S. EMERGENCY RECRUITMENT BOARD

***2395. Shri Bheekha Bhai:** Will the Minister of **Home Affairs** be pleased to state:

(a) whether any progress has since been made in appointing the Emergency Recruitment Board as announced in the Lok Sabha;

(b) if so, the names of members so appointed; and

(c) when the Emergency Recruitment Board will begin functioning?

The Minister of Home Affairs (Pandit G. B. Pant): (a) to (c). The Special Recruitment Scheme provides for a qualifying Examination before selections are made by the Special Recruitment Board. Arrangements for the Examination have been taken in hand by the Union Public Service Commission. The question of appointing the Special Recruitment Board will arise only after the Examination is completed.

SETTLEMENT OF PAKISTANI NATIONALS IN INDIA

***2396. Shri M. L. Agrawal:** Will the Minister of **Home Affairs** be pleased to state:

(a) the number of cases in the years 1954-55 and 1955-56 respectively in which facilities were granted on the basis of the decisions arrived at the Indo-Pakistan Passport Conference, 1953 for the re-union of divided families in respect of categories (i) and (ii) respectively mentioned in paragraph 38, on page 25 of the Report 1955-56 of the Ministry of Home Affairs;

(b) whether the "certain persons who had their close relatives in India on whom they were dependent", mentioned in the last sub-paragraph of paragraph 38 are over and above the two categories mentioned above; and

(c) if so, the number of Pakistani nationals to whom such facilities were granted during 1954-55 and 1955-56, and conditions that they had to satisfy for eligibility under this concession?

The Minister of Home Affairs (Pandit G. B. Pant): (a) 815 in 1954-55 and 1110 in 1955-56.

(b) Yes.

(c) 45 in 1954-55 and 60 in 1955-56. Every such case is examined and decided on merits, and all factors including compassionate grounds are taken into account.

TAX EVASION

*2397. **Shri Madiah Gowda:**
Shri N. B. Chowdhury:

Will the Minister of **Finance** be pleased to state:

(a) whether it is a fact that Mr. Nicholas Kalder, noted economist of United Kingdom has reported that the amount of income-tax lost through tax evasion in India is of the order of Rs. 200 to Rs. 300 crores, a year;

(b) which important sectors are the main sources of such evasion; and

(c) the action taken or proposed to be taken in this regard?

The Minister of Revenue and Civil Expenditure (Shri M. C. Shah): (a) Attention is invited to the reply given to the Starred Question No. 2023 dated 8th March 1956. Steps are being taken to publish Mr. Kalder's Report and it will be misleading to disclose certain figures out of their context, until the Report has been published.

(b) Does not arise.

(c) The Report is under the consideration of Government.

CIVILIAN DEFENCE EMPLOYEES

*2398. **Shri P. L. Kureel:**
Shri G. L. Chaudhary:

Will the Minister of **Defence** be pleased to state:

(a) whether it is a fact that discriminatory treatment is being meted for the last seven years to certain section of civilian employees of the same category in view of the fact that personnel of former ETE category are being given free indoor medical treatment in Military Hospitals whereas recoveries are being effected from personnel belonging to former ISP categories, although since 1st August, 1949 both the categories are governed by same terms and conditions of service; and

(b) if so, why?

The Deputy Minister of Defence (Sardar Majithia): (a) and (b). A statement explaining the position is laid on the Table of the House. [*See* Appendix XIV, annexure No. 19.]

POSTAL BANKING FACILITIES

***2399. Shri Shree Narayan Das:** Will the Minister of **Finance** be pleased to state:

(a) whether the Government of India have considered and arrived at any conclusion with regard to the suggestion made by the International Monetary Fund Mission two and half years back regarding the extension of postal banking services to rural India; and

(b) the extent of increase in the Post Office Savings Banks Accounts and amounts of deposits during the last five years (year-wise)?

The Minister of Revenue and Civil Expenditure (Shri M. C. Shah): (a) The need for extending postal banking facilities particularly to rural areas has been fully recognized by Government and steps are being taken to provide these facilities in more and more post offices.

(b) A statement showing the necessary information is placed on the Table of the House. [*See* Appendix XIV, annexure No. 20.]

***शिक्षा मंत्री का विदेश दौरा**

***२४००. श्री भक्त दर्शन** : क्या शिक्षा मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि वह निकट भविष्य में कई पाश्चात्य देशों का भ्रमण करने वाले हैं;

(ख) यदि हां, तो वह किन-किन देशों का भ्रमण करेंगे; और

(ग) उनमें से प्रत्येक देश में उनकी यात्रा के मुख्य उद्देश्य क्या हैं ?

शिक्षा उपमंत्री (डा० एम० एम० दास) : (क) से (ग). इस विषय में अभी तक कोई निर्णय नहीं किया गया है ।

LIBRARY SERVICE SCHEME

***2401. Sardar Iqbal Singh: Sardar Akarpuri:**

Will the Minister of **Education** be pleased to state:

(a) whether the amount of loan and subsidy given to the PEPSU State by the Central Government for the development of its libraries during 1955-56 has been utilized; and

(b) the programme for 1956-57?

The Deputy Minister of Education (Dr. M. M. Das): (a) Only a subsidy was given in 1955-56 from which the Pepsu Government has utilized a major portion.

(b) The Government of India have no knowledge of the State Government's Library programme for the year 1956-57.

CIVIL MEDICAL ATTENDANCE RULES

***2402. Shri Kamath:** Will the Minister of **Defence** be pleased to state:

(a) whether it is a fact that the Civil Medical Attendance Rules are not applicable to all civilians in the Defence Services;

(b) if so, to which categories of civilian personnel they are applicable and to which they are not; and

(c) the reasons for not making them applicable to the rest?

The Deputy Minister of Defence (Sardar Majithia): (a) Yes.

(b) The Contributory Health Service Scheme, which is a variant of the Civil Medical Attendance Rules and which is in force for Government Servants working in Civil Departments in Delhi and New Delhi, is applicable to civilian Government servants paid from the Defence Services Estimates with headquarters at Delhi (excluding Delhi Cantonment) and New Delhi. The Civil Medical Attendance Rules or any variant of them are not at present applicable to Defence civilians with headquarters at a place outside Delhi and New Delhi.

(c) The provision of medical facilities to Defence civilians outside Delhi and New Delhi who are paid from Defence Services Estimates has so far been governed either by the Regulations contained in the book known as "Regulations for the Medical Services of the Army in India" or by special orders.

The question as to what extent Civil Medical Attendance Rules can be applied to the Defence civilians is under consideration of the Government.

ALL INDIA SERVICES

2226. Chaudhuri Muhammed Shaffee: Will the Minister of **Home Affairs** be pleased to state:

(a) the total number of persons who qualified in the I.A.S. and I.P.S. competitive examinations, from the 1st January, 1955 to the 30th April, 1956 in India, State-wise;

(b) the number of such persons who have joined and the number of those who have not joined;

(c) reasons therefor; and

(d) the number of cases still pending decision?

The Minister of Home Affairs (Pandit G. B. Pant): (a) to (d). Two statements containing the information are laid on the Table of the House. [*See* Appendix XIV, annexure No. 21.]

CENTRAL SECRETARIAT TEMPORARY EMPLOYEES

2227. Shri Kamath: Will the Minister of **Home Affairs** be pleased to state:

(a) the number of temporary employees in the Central Secretariat, as on 1st May, 1956, Ministry-wise;

(b) the number, among them, who have put in 5—10 years of service;

(c) the number, among them, who have put in over 10 years of service;

(d) when they are likely to be confirmed;

(e) the rules governing the declaration of temporary employees as quasi-permanent; and

(f) the rules under which temporary employees are confirmed?

The Minister of Home Affairs (Pandit G. B. Pant): (a) to (d). The information is being collected and will be laid on the Table of the House in due course.

(e) The rules governing the declaration of temporary employees as quasi-permanent were published in the Gazette of India on the 17th March, 1949. A copy of the gazette notification is laid on the Table of the House. [*See* Appendix XIV, annexure No. 14.]

(f) There are no general rules for confirmations in Government service. Confirmations are made in accordance with the Recruitment Rules framed for each service, grade or post provided permanent vacancies are available.

DEV SOMNATH TEMPLE

2228. Shri Bheekha Bhai: Will the Minister of **Education** be pleased to state the steps taken to protect the Dev Somnath Temple in Dungarpur District in Rajasthan during 1955-56?

The Deputy Minister of Education (Dr. M. M. Das): The information is being collected and will be laid on the Table of the House in due course.

Vigyan Mandirs

2229. Shri Krishna Chandra: Will the Minister of **Natural Resources and Scientific Research** be pleased to state the number of *Vigyan Mandirs* that will be started during 1956-57 in Uttar Pradesh?

The Ministry of Natural Resources (Shri K. D. Malaviya): The allocation of Vigyan Mandirs as between different States has not yet been decided.

PRIMARY TEACHERS

2230. Shri N. B. Chowdhury: Will the Minister of **Education** be pleased to refer to the reply given to Starred Question No. 2021 on the 8th May, 1956 and state whether the enhancement of salaries of Primary teachers upto Rs. 40 or Rs. 50 includes "allowances" also?

The Deputy Minister of Education (Dr. M. M. Das): No, Sir.

EDUCATION OF THE HANDICAPPED

2231. Shri Jhulan Sinha: Will the Minister of **Education** be pleased to state the total amount spent by the Centre directly and as grant-in-aid over the education of (1) the blind, (2) the deaf and (3) the dumb in the country from 1952-53 to 1955-56?

The Deputy Minister of Education (Dr. M. M. Das): The information is being collected and will be laid on the Table of the Lok Sabha as soon as possible.

SYMPOSIA ON SCIENTIFIC SUBJECTS

2232. Shri Krishnacharya Joshi: Will the Minister of **Natural Resources and Scientific Research** be pleased to state:

(a) the number of symposia on scientific subjects organised during 1955; and

(b) the subjects discussed?

The Minister of Natural Resources (Shri K. D. Malaviya): (a) and (b). A statement giving the required information is laid on the Table of the House. [*See* Appendix XIV, annexure No. 22.]

COPPER

2234. Shri S. C. Samanta: Will the Minister of **Natural Resources and Scientific Research** be pleased to state :

(a) the copper resources that are being tapped now in India;

(b) whether it is a fact that a team of Russian Geologists recently visited Khetri area in Sikar District to survey copper mines there; and

(c) if so, their findings in this respect?

The Minister of Natural Resources (Shri K. D. Malaviya): (a) Singhbhum copper belt about 80 miles in length near Ghatsila in Bihar.

(b) Yes, Sir.

(c) The Russian experts have expressed the view that the Khetri deposits could be worked economically on a large scale.

BRINE

2235. Shrimati Ila Palchoudhury: Will the Minister of **Natural Resources and Scientific Research** be pleased to state:

(a) whether any plant has been set up to completely remove the pink colouring matter and the offensive smell which the brine obtained from Sambhar Lake imparts;

(b) if so, the place of its location; and

(c) the annual processing capacity of the plant?

The Minister of Natural Resources (Shri K. D. Malaviya): (a) No.

(b) and (c). Do not arise.

HINDUSTAN AIRCRAFT LIMITED

2236. Shri Velayudhan: Will the Minister of **Defence** be pleased to state:

(a) the number of administrative posts of categories Class I, II and III in the Hindustan Aircraft Limited;

(b) the pay-scales of officers and other employees;

(c) whether pay-scales are fixed for each category of employees; and

(d) the average monthly amount as salary, allowance and wage to the employees during 1955?

The Deputy Minister of Defence (Sardar Majithia): (a) Administrative posts in the Hindustan Aircraft Limited which is a private limited company are not classified in categories I, II and III.

(b) and (c). There are a large number of pay-scales; the important standard scales are given in the statement laid on the Table of the House. [*See* Appendix XIV, annexure No. 23.] Most of the senior appointments are filled either by officers on special contract rates which are personal to them or by officers lent by he Government where again the rate of pay depends on what the particular officer would get under Government. There are no standard scales of pay for such appointments.

(d) Rs. 13,16,700.

ART AND CULTURE ORGANISATIONS IN TRAVANCORE-COCHIN

2237. Shri Velayudhan: Will the Minister of **Education** be pleased to state:

(a) the number of art and culture organisations in the Travancore-Cochin State which received grants or financial assistance from the Centre in the years 1954-55 and 1955-56; and

(b) the names of these organisations and the amount in each case?

The Deputy Minister of Education (Dr. M. M. Das): (a) One.

(b) During the year 1955-56, the Kerala Kala Mandalam, Cheruthuruthy was paid an *ad hoc* grant of Rs. 6,000 by the Government of India

BASIC AND PRIMARY SCHOOLS

2238. Shri B. S. Murthy: Will the Minister of **Education** be pleased to state:

(a) whether any grants were given to the State Governments for starting new primary and basic schools in rural areas in 1955-56; and

(b) if so, the amount given; and

(c) the number of such schools State Governments. However, a state-

The Deputy Minister of Education (Dr. M. M. Das): (a) Yes.

(b) A statement is laid on the Table of the House. [*See* Appendix XIV, annexure No. 24.]

(c) This primarily concerns the State Governments. However, a statement containing information that has so far been received from the State Governments is laid on the Table of the House. [*See* Appendix XIV, annexure No. 24.]

VOLUNTARY SOCIAL EDUCATIONAL ORGANISATIONS

2239. Shri Madiah Gowda: Will the Minister of **Education** be pleased to state:

(a) the names of and the amount of grants given to the Voluntary Social (adult) educational organisations during 1953-54 to 1955-56; and

(b) the purpose of grants in each case?

The Deputy Minister of Education (Dr. M. M. Das): (a) and (b). A Statement is laid on the Table of the House. [*See* Appendix XIV, annexure No. 25.]

ASSISTANCE TO COLLEGES

2240. Shri Ram Krishan: Will the Minister of **Education** be pleased to state:

(a) whether proposals for assistance to Colleges under the Second Five Year Plan have been finalised; and

(b) if so, main features thereof;

The Deputy Minister of Education (Dr. M. M. Das): (a) No, Sir.

(b) Does not arise.

RESEARCH ON INDIAN FAUNA AND FLORA

2241. Shri Shree Narayan Das: Will the Minister of **Natural Resources and Scientific Research** be pleased to refer to the reply given to Unstarred Question No. 1239 on the 28th September, 1955 and state the terms and conditions on which the German team of experts has been allowed to work in India to carry on research on rare Indian fauna and flora for German Museums and Scientific Institutes?

The Minister of Natural Resources (Shri K. D. Malaviya): The terms and conditions are as follows:

(i) The team should donate a part of the collections they make in India to the Zoological Survey of India and other Institutions interested in their collections, for the benefit of Indian students;

(ii) Restricted maps will be supplied to the team subject to normal conditions regarding their issue but the exact map sheets required by the team from time to time should be intimated before hand;

(iii) There is no objection to the team taking photographs and films but if they want to take photographs of any prohibited areas, the matter should be referred to the Government;

(iv) The team will have to apply for separate permission for visiting Andaman and Nicobar Islands; and

(v) Copies of the observations and meteorological measurements taken by the team will have to be deposited with the Directorate General of Observatories.

MINERAL ADVISORY BOARD

2242. Shri Nageshwar Prasad Sinha: Will the Minister of **Natural Resources and Scientific Research** be pleased to state:

(a) how many sittings of the Mineral Advisory Board have been held since its formation;

(b) when and where; and

(c) whether any decisions have been taken about the modification of mining leases?

The Minister of Natural Resources (Shri K. D. Malaviya): (a) Three.

(b) The first meeting was held on 7th August, 1953 in Delhi, the second on 3rd June, 1954 at Ranchi and the third on 6th and 7th July, 1955 at Srinagar.

(c) The Central Government has decided to frame rules under Section 7 of the Mines and Minerals (Regulation and Development) Act, 1948. The rules drafted for the purpose are under Government's consideration. They are expected to be promulgated shortly.

FOREIGN EXCHANGE CONTROL

2243. Shri S. C. Samanta: Will the Minister of **Finance** be pleased to state:

(a) whether the remarks made by the Export Promotion Committee about the evasion of foreign exchange control have been verified;

(b) if so, the number of cases of under-invoicing of exports and over-invoicing of imports detected since 1950 (year-wise); and

(c) how those cases have been dealt with?

The Deputy Minister of Finance (Shri B. R. Bhagat): (a) Yes, Sir.

(b)

Year	No. of cases of under-invoicing of exports	No. of cases of over-nvoicing of imports
1950	13	Nil
1951	Nil	Nil
1952	47	Nil
1953	93	2
1954	176	5
1955	18	Nil
1956	5	Nil

(c) a large number of under-invoiced exports relate to Postal parcels, many of which have been confiscated; other cases detected are assessed duty on the basis of correct values. In addition, wherever considered necessary, penal action is also taken.

जिला सैनिक, नाविक और विमान-कर्मचारी बोर्ड

२२४४. **श्री भक्त दर्शन** : क्या **प्रतिरक्षा** मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि जिला सैनिक, नाविक और विमान-कर्मचारी बोर्डों के मंत्रियों के वेतन और भत्ते नये सिरे से निर्धारित किये गये हैं;

(ख) यदि हां, तो क्या तत्सम्बन्धी आदेश की एक प्रति लोक-सभा के टेबल पर रखी जायेगी; और

(ग) यह नये वेतन-मापदण्ड कब से लागू किये गये ?

प्रतिरक्षा उपमंत्री (सरदार मजीठिया) : (क) से (ग). जिला सैनिक, नाविक और विमान-कर्मचारी बोर्डों के मंत्रियों के वेतन और भत्ते भारत सरकार, प्रतिरक्षा मंत्रालय के पत्र संख्या ३-एस० बी० (१७)४८/४६/४०८३डी० ६(क), दिनांक १ अप्रैल, १६४६ के अन्तर्गत संशोधित किये गये थे, जिस की प्रति सभा-पटल पर रख दी गई है। [**देखिये परिशिष्ट १४, अनुबन्ध संख्या २६**]।

मद्रास तथा उत्तर प्रदेश सरकारों को छोड़कर सभी राज्य सरकारों ने संशोधित वेतन दर १ अप्रैल, १६४८ से लागू किये। उत्तर प्रदेश में आर्थिक कठिनाइयों के कारण संशोधित वेतन १ अप्रैल, १६५४ के पहिले नहीं लागू की जा सकीं। मद्रास सरकार ने वेतन तथा भत्ते दरें में संशोधन करने विषयक प्रस्ताव को स्वीकार नहीं किया, और इसलिये उस राज्य में अभी तक भी संशोधित वेतन दरें नहीं जारी की जा सकी हैं।

GRANTS TO SCHEDULED CASTES

2245. Shri Ibrahim: Will the Minister of **Home Affairs** be pleased to state the nature of the schemes and the amount proposed to be spent during 1956-57 separately for social, economic and educational up-lift of the Scheduled Castes and Scheduled Tribes?

The Minister of Home Affairs (Pandit G. B. Pant): A statement showing the nature of the schemes proposed to be undertaken during 1956-57 is laid on the Table of the House. [*See* Appendix XIV, annexure No. 27.] A provision of Rs. 10·20 crores has been made for expenditure during 1956-57. Of this, a sum of Rs. 6·59 crores has been earmarked for welfare of Scheduled Tribes and development of Scheduled Areas and the balance, *viz.* Rs. 3·61 crores, has been provided for the Welfare of Backward Classes including Scheduled Castes. The break up of the provision separately for Social, Economic and Educational uplift of Scheduled Tribes will be known only after proposals which have been called for from the States for grants-in-aid during 1956-57 have been received and sanctioned by the Government of India.

INDIAN SCHOOL OF MINES

2246. Shri Ibrahim: Will the Minister of **Natural Resources and Scientific Research** be pleased to state:

(a) the number of Mining Engineering and Geology students who qualified during 1955 for the Diploma of Associateship of the Indian School of Mines; and

(b) the number of Mining Engineering students who received Post Graduate practical training during 1955?

The Minister of Natural Resources (Shri K. D. Malaviya): (a) 36 students qualified for the Diploma in Mining Engineering and 5 students qualified for Diploma in Applied Geology.

(b) 63 including 30 students who got the Diploma in Mining Engineering in 1954.

TRAFFIC IN WOMEN

2247. { Thakur Jugal Kishore Sinha: Shri Asthana:

Will the Minister of **Home Affairs** be pleased to state:

(a) whether there is an international agreement on traffic in women of which India is a signatory; and

(b) if so, the steps that have been taken to implement it?

The Minister of Home Affairs (Pandit G. B. Pant): (a) Yes.

(b) A Central Bill namely "The Suppression of Immoral Traffic in Women and Girls Bill, 1954" was introduced in the Lok Sabha on the 20th December, 1954.

DALMIA DADRI CEMENT LTD.

2248. Shri Ram Krishan: Will the Minister of **Finance** be pleased to state:

(a) whether it is a fact that the Registrar of Companies, PEPSU held enquiry against the Dalmia Dadri Cement Ltd. Company, Dalmia Dadri;

(b) if so, whether Government have received the report; and

(c) if so, the nature of the report and the action taken thereon?

The Minister of Revenue and Civil Expenditure (Shri M. C. Shah): (a) Yes, Sir.

(b) The report of the Registrar was received only on the 14th May, 1956.

(c) The report is under consideration. It is not in public interest to disclose the contents of the Report.

COMPANIES IN PEPSU

2249. Shri Ram Krishan: Will the Minister of **Finance** be pleased to refer to the reply given to Unstarred Question No. 1217 on the 28th September, 1955 and state:

(a) whether the preliminary enquiries held by the Registrar of Companies, PEPSU, against Rajpura Biscuit Manufacturers Ltd., and the Patiala Starch and Chemical Works Ltd., have been completed;

(b) if so, whether Government have received the reports; and

(c) if so, their nature?

The Minister of Revenue and Civil Expenditure (Shri M. C. Shah): (a) Yes, Sir.

(b) The Registrar submitted his report on the affairs of the Rajpura Biscuit Manufacturers Limited only on the 14th May, 1956. His report on the other company is expected to reach the Government shortly.

(c) It is not in public interest to disclose the contents of these reports.

राष्ट्रीय भौतिक प्रयोग शाला

२२५०. **श्री भक्त दर्शन** : क्या **प्राकृतिक संसाधन और वैज्ञानिक गवेषणा** मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि राष्ट्रीय भौतिक प्रयोगशाला ने सूर्य ताप से चलने वाले एक जल पम्प के निर्माण का कार्य आरम्भ किया है; और

(ख) यदि हां, तो अब तक क्या प्रगति हुई है ?

प्राकृतिक संसाधन मंत्री (श्री के० डी० मालवीय) (क) जी नहीं ।

(ख) प्रश्न ही नहीं उठता ।

Archaeological Sites in PEPSU

2251. Sardar Iqbal Singh: Sardar Akarpuri:

Will the Minister of **Education** be pleased to state the expenditure incurred on the preservation of monuments of National importance in PEPSU so far?

The Deputy Minister of Education (Dr. M. M. Das): Rs. 19,200.

Bhatinda Fort

2252. Sardar Iqbal Singh: Sardar Akarpuri:

Will the Minister of **Education** be pleased to state:

(a) the expenditure incurred by Government on the preservation of the Bhatinda Fort so far; and

(b) the nature of the Scheme formulated for its preservation?

The Deputy Minister of Education (Dr. M. M. Das): (a) Rs. 1,774.

(b) It is proposed to rebuild the fallen portion of the ramparts as well as the bastions.

High Court Judges

2253. Sardar Iqbal Singh: Sardar Akarpuri:

Will the Minister of **Home Affairs** be pleased to state the number of Judges in each of the High Courts in India at present?

The Minister of Home Affairs (Pandit G. B. Pant): A statement is laid on the Table of the House. [*See* Appendix XIV, annexure No. 28.]

National Cadet Corps

2254. Sardar Iqbal Singh: Sardar Akarpuri:

Will the Minister of **Defence** be pleased to state:

(a) whether the Government of India have set up any Advisory Committee for selection to the National Cadet Corps in the Punjab; and

(b) if so, the names of its members?

The Deputy Minister of Defence (Sardar Majithia): (a) There is a State Advisory Committee whose functions are indicated in rule 43 of the National Cadet Corps Rules.

(b) The Committee is constituted at present as follows:—

1. Sardar Gurbachan Singh Bajwa, Minister of Education, Punjab..... (Chairman).

2. Dewan Anand Kumar, Vice-Chancellor, University of Punjab.

3. Dr. A. C. Joshi, Secretary, Education Department, and Director, Public Instruction, Punjab.

4. Major Badan Singh, HQ East Punjab Area.

5. Shri K. K. Dewett, Principal, Punjab University College, Hoshiarpur.

6. Shri Sham Lal, Headmaster, Govt. Model School, Jullundur.

7. Shri Ghulam Janbaz Gill, Headmaster, Govt. High School, Kulu.

8. Commander S. S. Butalia, I. N., Commander No. 8 Circle, Cadet Corps.

9. Capt. Ranjit Singh, M.L.A.

10. Sardar Darbara Singh, M.L.A.

11. Shrimati Shanno Devi, M.L.A.

12. Shri N. N. Kashyap, ICS, Secretary, Ministry of Finance, Punjab.

FOREIGNERS

2255. { Sardar Iqbal Singh: / Sardar Akarpuri:

Will the Minister of **Home Affairs** be pleased to refer to the reply given to Unstarred Question No. 36 on the 20th February, 1956 and state:

(a) the total number of foreigners whose names have been registered during 1955 in India; and

(b) the names of the countries to which they belong?

The Minister of Home Affairs (Pandit G. B. Pant): (a) and (b). A statement giving the required information is laid on the Table of the House. [*See* Appendix XIV, annexure No. 29.] The figures pertain only to foreigners who were registered during 1955.

INCOME-TAX DEPARTMENT

2256. { Sardar Iqbal Singh: / Sardar Akarpuri:

Will the Minister of **Finance** be pleased to lay on the Table of the Sabha a statement showing:

(a) the number of complaints of corruption received against the officers of the Income-tax Department during the year 1955;

(b) the number of complaints which have so far been enquired into and finalised; and

(c) the number of officers punished as a result of these complaints?

The Minister of Revenue and Civil Expenditure (Shri M. C. Shah): (a) to (c). A statement is laid on the Table of the Lok Sabha. [*See* Appendix XIV, annexure No. 30.]

CALCUTTA UNIVERSITY

2257. Shri K. K. Das: Will the Minister of **Educatiton** be pleased to state:

(a) whether the University of Calcutta has approached the Government for financial help for carrying out certain excavations in West Bengal; and

(b) if so, the results thereof?

The Deputy Minister of Education (Dr. M. M. Das): (a) Yes, Sir.

(b) The request is under consideration.

पब्लिक स्कूलों में योग्यता छात्रवृत्तियां

२२५८. श्री जांगडे : क्या शिक्षा मंत्री यह बताने की कृपा करेंगे कि पब्लिक स्कूलों में योग्यता छात्रवृत्तियों की योजना के अधीन १९५५-५६ में अनुसूचित जाति के हरिजनों को कितनी छात्रवृत्तियां दी गईं ?

शिक्षा उपमंत्री (डा० एम० एम० दास) : दो, श्रीमान् जी ।

CLERKS IN ORDNANCE AND DEFENCE INSTALLATIONS

2259. Shri Kamath: Will the Minister of **Defence** be pleased to state:

(a) whether it is a fact that two additional increments in the time-scale of pay were granted to the Third Division Clerks in the Central Secretariat with effect from the 1st June, 1954;

(b) whether similar increments have not been granted to the Lower Division Clerks in Ordnance and other Defence Installations; and

(c) if so, the reasons therefor?

The Deputy Minister of Defence (Sardar Majithia): (a) Yes, Sir; two additional increments were given, but with effect from 1-5-1954 and not from 1-6-1954.

(b) No, Sir.

(c) These advance increments were hitherto admissible only to Clerks in the Secretariat and attached offices recruited through the Union Public Service Commission. This benefit has now been extended to all persons confirmed in the Lower Division of the Central Secretariat Clerical Service and also to those who have held such posts for at least three years and are considered suitable for confirmation. As Ordnance and other Defence Installations are not included in the Central Secretariat Clerical Service Scheme, similar increments have not been granted to the Lower Division Clerks working in those establishments.

Clerks in Ordnance and Defence Installations

2260. Shri Kamath: Will the Minister of **Defence** be pleased to state:

(a) whether the question of revision of pay scale of Lower Division Clerks in the Ordnance and other Defence Installations has been recently considered; and

(b) if so, with what result?

The Deputy Minister of Defence (Sardar Majithia): (a) Yes, Sir.

(b) The existing scale of pay of Rs. 55-3-85-E.B.-4-125-5-130 was prescribed on an All-India basis in the light of the recommendations of the Central Pay Commission; and no new facts have since then come to light which would warrant a revision of the existing scale.

Co-operative Banks

2261. Th. Jugal Kishore Sinha: Shri Asthana:

Will the Minister of **Finance** be pleased to state the rate of interest that was charged on the money of Reserve Bank of India at different levels from the State Co-operative Banks, Central Banks, Co-operative Societies down to the ultimate borrower member in various States in 1955?

The Deputy Minister of Finance (Shri B. R. Bhagat): A statement showing the most usual rate of interest on loans by the State Co-operative Banks, Central Co-operative Banks and Agricultural Credit Societies during 1954-55 is placed on the Table. [*See* Appendix XIV, annexure No. 31.]

Generally, the State Co-operative Banks pool the funds obtained from the Reserve Bank at the concessional rate of 1½% with funds from other sources and charge a uniform rate of interest on their lendings to the Central Co-operative Banks which, in turn, pass on the funds at a uniform rate of interest to the Agricultural Credit Societies. In Bombay, U.P., and Punjab, however the practice is that the funds received at the concessional rate from the Reserve Bank and funds from other sources are kept separately and lower rates of interest are charged on loans out of the former as indicated below :—

Institutions	Rate of interest (%) on Loans out of	
	Reserve Bank Funds	Other funds
Bombay :		
State Co-operative Bank	2	4½
Central Banks		4½ (Uniform rate)
Primary Societies		7-13/16 (Uniform rate)
Uttar Pradesh :		
State Co-operative Bank	2½	4½
Central Co-operative Banks	4½	7
Primary Societies	7½	9
Punjab :		
State Co-operative Bank	1½	4
Central Co-operative Banks	No information at present available.	
Primary Societies		

The State Co-operative Bank in U.P. has recently decided to do away the distinction between Reserve Bank funds and its own funds from 1-7-56 and charge interest at a uniform rate of 3½% irrespective of the source of funds. This will enable the primary societies to get the funds at 6% and the ultimate borrower at 7-13/16%. In Punjab also the State Government are considering the question of levy of a uniform rate of interest by the apex bank.

INSPECTION OF CO-OPERATIVE BANKS

2262. { Th. Jugal Kishore Sinha: Shri Asthana:

Will the Minister of **Finance** be pleased to state:

(a) the nature of defects pointed out by the inspecting officers of the Reserve Bank of India in respect of the State Co-operative Banks of various States in the course of their inspection in 1955; and

(b) the action taken to rectify these defects?

The Deputy Minister of Finance (Shri B. R. Bhagat): (a) The defects noticed by the Reserve Bank of India during the inspection of twelve Apex Co-operative Banks, which was undertaken by the Reserve Bank during 1955 on a voluntary basis with the consent of the banks concerned were largely of the following nature:

(i) The amounts lent to borrowers (central banks, societies, etc.) were not related to the contributions of the borrowers to the share capital of the State Co-operative Banks concerned.

(ii) The capital structure of the bank was not adequately strong in relation to the business turnover.

(iii) Provision for depreciation on investments and for bad debts was not adequate.

(iv) Statutory Reserves were invested in the business of the banks instead of being invested outside.

(v) Fluid Resources Registers were not maintained properly; calculations of fluid resources were not done properly.

(vi) Balances held by Apex Banks with other banks exceeded the limits prescribed by the Registrars.

(vii) Loans outstanding with central banks and societies for seasonal agricultural operations or the marketing of crops were less than the amounts borrowed for the purpose by the State Co-operative Banks from the Reserve Bank of India, thereby indicating diversion of the funds provided by the Reserve Bank for purposes other than those for which such funds had been provided.

(viii) When fresh advances were made to Central Banks, Societies and Individuals, proper care was not taken to scrutinise the past repayment performance of the borrowing institutions or individuals.

(ix) Large advances were being made to individuals.

(x) There were heavy overdues in respect of loans advanced.

(xi) Bad and doubtful debts were not correctly estimated in many cases. Estimates of bad and doubtful debts made by the Inspecting Officers exceeded those made by the banks and were also large in relation to the loans outstanding.

(xii) Trading activities were combined with banking business.

(xiii) Supervision over borrowing institutions was not done satisfactorily.

(xiv) No limits were prescribed for cash balances to be kept with the bank or for balances with other banks.

(xv) The Staff of the bank did not have proper training in banking and Co-operation.

(b) The suggestions made by the Reserve Bank for remedying the defects were received favourably and it is reported that steps are being taken by the institutions for rectification and improvement.

WELFARE EXTENSION PROJECTS IN ASSAM

2263. Shri Debendra Nath Sarma: Will the Minister of **Education** be pleased to state:

(a) the number of Welfare Extension Projects started in Assam, so far;

(b) the names of villages in the district of Kamrup and Goalpara where these projects have been started; and

(c) the amount spent during 1954-55 and 1955-56 on them?

The Deputy Minister of Education (Dr. M. M. Das): (a) Seventeen.

(b) and (c). The information is being collected and will be laid on the Table of the Lok Sabha as soon as possible.

LIMESTONE DEPOSITS

2264. Shri Debendra Nath Sarma: Will the Minister of **Natural Resources and Scientific Research** be pleased to state:

(a) whether lime-stone deposits capable of producing high class cement have been found in Garo Hills and Khasi Jayantia Hills of Assam; and

(b) if so, whether any proposals for starting cement factories in Assam have been submitted by the State Government?

The Minister of Natural Resources (Shri K. D. Malaviya): (a) and (b). Yes, Sir. On the recommendations of the Government of Assam, licences have been granted to the Associated Cement Companies Ltd., Bombay, and the Assam Cements Ltd., Shillong, to set up one cement factory each in Garo Hills district and Khasi and Jayantia Hills district, respectively.

COALFIELDS OF GARO HILLS

2265. Shri Debendra Nath Sarma: Will the Minister of **Natural Resources and Scientific Research** be pleased to state:

(a) whether it is a fact that coal containing 52 and 48 per cent of fixed carbon has been found in the Garo Hills of Assam; and

(b) if so, whether Government have any scheme to exploit coalfields of Garo Hills, the estimated reserve of which has been calculated at more than 200 million tons?

The Minister of Natural Resources (Shri K. D. Malaviya): (a) According to the information available with the Geological Survey of India, maximum 53 per cent fixed carbon is obtained in coal from Siju area and 46 per cent from West Darangiri.

(b) The Central Government have initiated an investigation and mapping of the coalfields of Garo Hills.

ESTATE EMPLOYEES ASSOCIATION

2266. { Shri Punnoose: Shri V. P. Nayar:

Will the Minister of **Home Affairs** be pleased to state:

(a) whether the Secretary of the Estate Employees Association, Mundakayam, Travancore-Cochin State and its Vice-President along with 14 other workers were arrested on the 26th April, 1956 at Vengathanam Estate in the Mundakayam Area; and

(b) whether complaints have been received that the arrested persons were severely manhandled in public by the police headed by the Sub-Inspector, Mundakayam?

The Minister of Home Affairs (Pandit G. B. Pant): (a) Yes.

(b) Yes; five complaints have been filed before the Magistrate of PONKUNNAM, and the matter is *sub judice*.

TRAVANCORE-COCHIN POLICE

2267. {**Shri Punnoose:** / **Shri V. P. Nayar:**

Will the Minister of **Home Affairs** be pleased to state:

(a) the number of complaints received by the Government of Travancore-Cochin in each of the years 1953, 1954, 1955 and 1956 (till the 30th April, 1956) alleging manhandling, torture, bribery and murder by the Travancore-Cochin Police;

(b) the number of such complaints that were investigated departmentally and how many resulted in trials or enquiries in court; and

(c) the number of persons who have complained that they were injured while in custody of the police in each of the above years?

The Minister of Home Affairs (Pandit G. B. Pant): (a) to (c). The information is being collected and will be laid on the Table of the Lok Sabha in due course.

LOANS TO JAMMU AND KASHMIR

2268. Shri Kamath: Will the Minister of **Home Affairs** be pleased to state:

(a) the total amount of grants and loans separately made to the Government of Jammu and Kashmir since 26th January, 1950;

(b) how much of the loans has been repaid so far;

(c) whether the accounts of the Jammu and Kashmir Government are audited by the Comptroller and Auditor General; and

(d) if not, the kind of financial control that is exercised over the expenditure of monies by the Jammu and Kashmir Government?

The Minister of Home Affairs (Pandit G. B. Pant): (a) to (d). The information is being collected and will be laid on the Table of the House as soon as possible.

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नागा विद्रोही

२२६९. **श्री रघुनाथ सिंह :** क्या गृह-कार्य मंत्री यह बताने की कृपा करेंगे कि अब तक कितने नागा विद्रोहियों ने सरकार के सामने आत्म समर्पण किया है ?

गृह-कार्य मंत्री (पंडित जी० बी० पंत) : छः ।

दासता-विरोधी आदिवासी संरक्षण संस्था

२२७०. **श्री रघुनाथ सिंह :** क्या गृह-कार्य मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या सरकार का ध्यान दासता-विरोधी आदिवासी संरक्षण संस्था के इस वक्तव्य की ओर दिलाया गया है, जिसमें यह कहा गया है कि अमेरिका, अरब और एशियायी देशों में दासता की प्रथा और दासों का व्यापार पुनर्जीवित हो गया है; और

(ख) यदि हां, तो क्या इस प्रकार का कोई प्रमाण भारत में भी मिला है ?

गृह-कार्य मंत्री (पंडित जी० बी० पंत): (क) तथा (ख). जी नहीं ।

SCIENTISTS DELEGATION TO RUSSIA

2271. Shri Kamath: Will the Minister of **Natural Resources and Scientific Research** be pleased to refer to the reply given to Unstarred Question No. 623 on the 31st March, 1956, and state:

(a) whether the consideration of the report of the Scientists Delegation to Russia has been concluded; and

(b) if so, the results thereof and decisions taken, if any?

The Minister of Natural Resources (Shri K. D. Malaviya): (a) Yes, Sir.

(b) The following decisions have been taken on the basis of the recommendations in the report:

(1) It is proposed to undertake exploration for oil on an extensive scale *i.e.*, in several areas.

(2) It is proposed to set up a commission with wide financial and administrative powers.

(3) Steps are being taken to train Indians in techniques of oil exploration including deep drilling, both by bringing foreign experts and sending Indians abroad, and also by creating facilities in our institutions.

(4) The establishment of plant for the manufacture of drilling and mining machinery in India is being considered.

(5) The exploitation of non-ferrous metals is proposed to be undertaken. Investigations of ore-bearing areas are going on.

(6) The installation of beneficiation plants has already been undertaken or is under consideration of certain private mine owners. The installation of such plants by Government can be considered only when manganese mines are opened by Government. It is noted, however, that the possibilty of opening "custom" mills is being explored.

PENSIONS OF JUNIOR COMMISSIONED OFFICERS AND OTHER RANKS

2272. Shri Kamath: Will the Minister of **Defence** be pleased to state:

(a) whether it is a fact that there is disparity in the pensions of pre-war regular Junior Commissioned Officers and Other Ranks granted Emergency Commission during the War and those granted Short-Service Regular Commission after 1947;

(b) if so, the extent of disparity; and

(c) the reasons therefor?

The Deputy Minister of Defence (Sardar Majithia): (a) Yes.

(b) Junior Commissioned Officers and Other Ranks who were given Emergency Commission *during the last war* are eligible for pension or gratuity at the rates and under the conditions, which were then applicable to Permanent Regular Indian Commissioned Officers. In lieu of the gratuity, they are eligible for special pension varying from Rs. 75 to Rs. 135 p.m. according as their reckonable service varies from 10 to 14 years.

A statement containing, *inter alia*, the pensionary terms applicable to Short Service Regular Commissioned Officers (3/5 years) who were recruited direct from the ranks after 1947, was placed on the Table of the House in reply to Unstarred Question No. 1758, answered on the 3rd May 1956.

(c) The pensionary terms of different categories of officers are related to their other terms of service, and the circumstances prevailing at the time of their recruitment.

Junior Commissioned Officers and Other Ranks granted Emergency Commission, in order to meet an acute shortage of experienced and trained officers caused by the war situation, were given liberal pensionary terms as part of the inducement to accept commission under war conditions, and for an indefinite period. These circumstances did not exist when Short Service Regular Commissioned Officers were recruited from Junior Commissioned Officers and Other Ranks after 1947. The pensionary terms which they accepted on the grant of such commission have however been improved with effect from the 1st June 1953, taking into account the fact that they have continued to render commissioned service for some years beyond the initial periods of their contracts.

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(Part II—Proceedings other than Questions and Answers)

LOK SABHA SECRETARIA
NEW DELHI

SIX ANNAS (INLAND) TWO SHILLINGS (FOREIGN)

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Dated 11.3.2015

LOK SABHA

Monday, 21st May, 1956.

The Lok Sabha met at Half Past Ten of the Clock.

[MR. SPEAKER *in the Chair*]

QUESTIONS AND ANSWERS

(*See* Part I)

11-31 A.M.

MOTIONS FOR ADJOURNMENT

STRIKE OF RAILWAY EMPLOYEES IN CENTRAL RAILWAY

Mr. Speaker: I have received notice under rule 216 from Shri M. L. Agarwal relating to the firemen's strike at Kazipet Junction. I admitted it on the 18th and I fixed the date, that is, 23rd May, in consultation with the hon. Minister of Railways and he will make a statement on that day about the matter.

Today I have received a notice of adjournment from Sarvashri A. K. Gopalan and Ananda Nambiar, practically relating to the same business:

> "The serious situation arising out of the callous indifference shown by the Ministry of Railways in rejecting the reasonable grievances of the Loco-firemen and other sections of railwaymen whose legitimate claims of promotion have been overlooked by direct recruitment, as expressed in the present strike of railway employees in the *ex*-Nizam State Railway region of the Central Railway a strike which is fast threatening to spread all over Indian railways and as a result of which movement of goods, particularly coal, has been dislocated, passenger traffic is badly affected, and additional fares are being extracted."

In view of the fact that I have already admitted the previous notice for a statement by the hon. Minister, given so early as the 18th May, and I have fixed the date for that statement to be made, that is, on the 23rd May—the hon. Minister has also agreed to it—I am not prepared to give my consent to this adjournment motion. After the statement is made on that date, short notice and other questions may be put later on in the proper manner to elicit further information, if necessary.

STRIKE IN KHARAGPUR RAILWAY WORKSHOP

Mr. Speaker: I have received another notice of adjournment motion from Sarvashri A. K. Gopalan and Ananda Nambiar relating to the following:

> "The serious situation that has developed as a result of the strike of 10,000 workers of Khargpur Workshop of the South Eastern Railway which has spread to the Electrical and Stores Sections, threatening to further spread to the open lines, due to the illegal extraction of work from 112 painters of the Wagon Section and consequent illegal lock-out declared."

The Minister of Parliamentary Affairs (Shri Satya Narayan Sinha): The Government is collecting information with regard to this also, and as you have fixed the 23rd May for the other adjournment motion, I would request you to take this up on the same day.

Mr. Speaker: Rule 216 notice and this adjournment motion will stand over till that day, the 23rd May, for a statement by the hon. Minister of Railways.

Shri Sadhan Gupta (Calcutta—South-East): I wish to submit this in respect of the adjournment motion. You will appreciate that under rule 216, the Minister only can make a statement and we have no right to put questions. The object of the adjournment motion obviously is to raise a discussion on the matter, and the matter is sufficiently important to be thrashed out because railway services have been dislocated. The

[Shri Sadhan Gupta]

other day there was a report that the Grand Trunk Express had reached 15 hours late. Obviously this kind of things cannot be allowed to go on on the Railways. Therefore, I would request Your Lordships,—I am sorry—I would request you, Sir, to allow the adjournment motion and to have it discussed on merits—and it deserves a discussion.

Mr. Speaker: I can only say that adjournment motion is not the only method of bringing the matter to the notice of the House. This matter was brought to the notice of this House already and the hon. Members were not the first to bring it to the notice of the House here. Even on the 18th instant, a notice calling attention to this under rule 216 was made. Let us wait and hear what the hon. Minister has to say. Thereafter, it is always open to any hon. Member to say that in view of the serious consequences involved we might raise a discussion or debate on this matter. Later on, I shall find out what exactly the situation is and try to take such steps as are necessary. Nobody's intention is to avoid any discussion.

Shri Nambiar (Mayuram): This adjournment motion also will stand over till the 23rd. Is that so, Sir?

Mr. Speaker: I have already disallowed the adjournment motion for two reasons: that the matter is going to come up before the House under rule 216 and I have already admitted it; secondly, this matter will come up, it is not a matter which has been there only yesterday or today but it has been there from the 18th and earlier. Therefore, notice of adjournment motion is not the proper method of discussing this matter. I have not given my consent to this, but that does not mean that the House will not have an opportunity in the proper manner to discuss whatever necessary things have to be discussed.

So far as the other adjournment motion is concerned, it will stand over till the 23rd May, when the hon. Minister of Railways will be in a position to come here, gather material and make a statement.

BUSINESS OF THE HOUSE

Shri Kamath (Hoshangabad): May I make a brief request to you with regard to the statement made by the hon. Minister of Parliamentary Affairs on Friday evening at about 5 o'clock? He ought to have made it in the morning but unfortunately something must have happened which prevented it. You, Sir, were not present at that time and so I could not raise this point at that time. I wanted your presence for this purpose and I now raise it with your permission.

I do not know what has caused this sudden change in the programme. You were pleased to announce firmly to the House sometime ago that the House will sit till the 31st May, and on that basis some of us have tabled questions so as to be ripe for answer on the 31st. That is the first aspect of the matter. I do not know whether the statement was made in consultation with you—I suppose it was. The Chairman, Shri Barman, was not given a copy of it at that time. What was the purpose of making the statement then? It was very wrong on the Minister's part to have done so. I believe it has been done with your consent.....

Mr. Speaker: But what is it that the hon. Member is driving at?

Shri Kamath: It uproots our questions coming up on the 31st. They may not now come up before the House at all. I would, therefore, request that the questions tabled for the 31st May may be answered on the 28th, the previous rota day. May be other hon. Members agree. I personally think that these changes have been made so as to suit the convenience of the hon. Members opposite on the treasury benches for their Bombay meeting. That should not have been done.

Mr. Speaker: Hon. Members will countenance some amount of difficulty. I am not in a position to go into all those details. All that I can say is that the suggestion which the hon. Member is making will be considered.

Shri Kamath: That is one part of the story. The other part is this. In paragraph 3 of the statement, it is stated that the discussion on the Preventive Detention Act has not been postponed, but the exact words are "time permitting" it will be discussed. The discussion of this Act has been postponed from session to session and we thought at least in this session we would have a firm announcement, and discussion of this Act. But it is stated there "time permitting". I think this should not now be countenanced by you, because this has been postponed for the last three sessions. If necessary, we will have to sit a day

longer to discuss this Act, but we should not allow the postponement of this discussion any further.

Shri Nambiar (Mayuram): Till such time as the Act will be discussed, will the hon. Home Minister be pleased not to arrest people under the Act?

The Minister of Home Affairs (Pandit G. B. Pant): I will not, you may be sure about it.

Shrimati Renu Chakravartty (Basirhat): May we have an assurance that we are going to discuss the Preventive Detention Act this session?

The Minister of Parliamentary Affairs (Shri Satya Narayan Sinha): All that I said the other day was that the House will not sit beyond the 31st. I never said that the House would sit only till the 30th. (*Interruptions*)

Dr. Rama Rao (Kakinada): You have been pleased to issue instructions allotting some questions to some Ministries for the 31st also. It is not as if the House will not sit beyond the 31st or the 30th. 31st was fixed as a business day. Suddenly, it is cancelled. It is a question of undependability on the programme of the Ministry of Parliamentary Affairs. The House is already committed to sit on the 31st. We do not know the reason why it has been suddenly cancelled. I request you to see that the House sits on the 31st.

Shri Kamath: My earnest request to you is that you should see that the House sits on the 31st also.

Shri Gadgil (Poona Central): Some days ago, there were complaints from this side that the temperature was rising and so on. If you adjourn a day earlier, it is so much the better. (*Interruptions*)

Mr. Speaker: Order, order. It is a simple matter. It is true that the 31st was declared an Official day. The hon. Members were invited to table questions for that day under the impression that there will be work on the 31st. Now, 31st is not a sitting day, that is to say, a day on which we have work here. I have no objection to transferring questions to the 28th—such of them as are in time for the 28th, as suggested by Shri Kamath. Regarding the sitting of the House on any particular day, whatever the Government says, this is the meaning, namely, that there is official work on that day. The Government has to place work before the House. Of course, the Speaker adjusts the time and announces the programme for the convenience of the Members and the Government. We anticipate that the work will go on but for some reason, the work falls through. We cannot sit on a particular day merely for answering questions, when there is no official work. I do not know under what particular circumstances the work is not continued on that day. But it is for the Government to say that there is work. Otherwise, it is for me to say that there is no work and adjourn the House *sine die*. In these circumstances, I will look into this. The questions on the 31st will not be interfered with; they will be answered on the 28th.

Shri N. C. Chatterjee (Hooghly): It was the unanimous recommendation of the Business Advisory Committee that the report on the working of the Preventive Detention Act should be placed before the House and scrutinised. I hope there is no going back on that decision. We must have an opportunity to discuss it. We have postponed it a number of times and there should be some finality to it whatever happens to the 31st. There should again be no attempt made by the Government to postpone the discussion on this matter.

Mr. Speaker: I shall call immediately an emergency meeting of the Business Advisory Committee where the hon. Minister will also be represented. Let us consider this matter there and see what can be done.

Shri Kamath: I want a little clarification with regard to questions. You were pleased to say that those questions which were in time for the 28th would come up on the 28th. Proceeding on the basis of the firm announcement that the 31st would be the last day, some of us sent in questions on the 18th. Taking the ordinary calculation, they would not be ripe for answer on the 28th but they will be ripe for answer on 31st.

Mr. Speaker: I will consider that also.

Dr. Rama Rao: Just now you said that you did not know the reasons for the cancellation of sitting on the 31st by the Government. The House also has not been informed of the reasons. It is rather scant courtesy to this House that it is treated this way when so much work is pending and we are told that there is no work for the House.

Mr. Speaker: It is the concern of the Business Advisory Committee.

Shri Kamath: Before the Government changes the programme and timings, do they not communicate to you the grounds? That is a fundamental point. Don't they consult you?

Mr. Speaker: It is not so. The Government feels that it does not have sufficient work. There may be other reasons. In one or two cases, it may inform the Chairman if it is so urgent. Now, I will consider the whole matter.

Shri Kamath: Does it mean they have more work in Bombay than here?

Mr. Speaker: When he raised the point relating to questions, I said that the hon. Member need not prefix such statements. Now, he has followed them by suffixing these statements. Therefore, I may say that these statements may be avoided as prefixes and suffixes.

PAPER LAID ON THE TABLE

REPORT OF DELHI ROAD TRANSPORT AUTHORITY FOR 1953-54 AND 1954-55

The Deputy Minister of Education (Dr. K. L. Shrimali): On behalf of the Deputy Minister of Railways and Transport, Shri Alagesan, I beg to lay on the Table a copy of the Report of Delhi Road Transport Authority for the years 1953-54 and 1954-55, under sub-section (2) of section 40 of the Delhi Road Transport Authority Act, 1950. [*Placed in Library. See* No. S—187/56]

MESSAGE FROM RAJYA SABHA

Secretary: Sir, I have to report the following message received from the Secretary of Rajya Sabha:

"In accordance with the provisions of rule 101 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to inform the Lok Sabha that the Rajya Sabha, at its sitting held on the 15th May, 1956, agreed to the following amendments made by the Lok Sabha at its sitting held on the 8th May, 1956, in the Hindu Succession Bill, 1955:

Enacting Formula

1. That at page 1, line 1,—

for "sixth year" *substitute* "Seventh Year."

Clause 1

2. That at page 1, line 5,—

for "1955" *substitute* "1956".

Clause 3

3. That at page 2, line 13,—

omit "(*gotraja*)".

4. That at page 2, line 21,—

omit "(*bandhu*)".

5. That at page 3, line 14,—

after "Cochin Nayar Act" *insert*—

"with respect to the matters for which provision is made in this Act".

6. That at page 3, line 18,—

after "governed" *insert*—

"with respect to the matters for which provision is made in this Act".

7. That at page 3, line 24,—

add at the end—

"with respect to the matters for which provision is made in this Act".

8. That at page 3,—

omit lines 31 and 32.

9. That at page 4,—

after line 19, *add*—

"(iii) the Valiamma Thampuran Kovilagam Estate and the Palace Fund administered by the Palace Administration Board by reason of the powers conferred by Proclamation (IX of 1124) dated 29th June, 1949, promulgated by the Maharaja of Cochin".

Clause 6

10. That at page 4,—

for lines 25 to 36, *substitute*—

"Provided that, if the deceased had left him surviving a female relative specified in class I of the Schedule or a male relative specified in that class who claims through such female relative the interest of the deceased in the Mitakshara coparcenary property shall devolve by testamentary or

intestate succession, as the case may be, under this Act and not by survivorship.

Explanation 1.—For the purposes of this section, the interest of a Hindu Mitakshara coparcener shall be deemed to be the share in the property that would have ben allotted to him if a partition of the property had taken place immediately before his death, irrespective of whether he was entitled to claim partition or not.

Explanation 2.—Nothing contained in the proviso to this section shall be construed as enabling a person who has separated himself from the coparcenary before the death of the deceased or any of his heirs to claim on intestacy a share in the interest referred to therein."

Clause 7

11. That at page 5,—

for lines 1 to 13, *substitute*—

"7. (1) When a Hindu to whom the *Marumakkattayam* or *nambudri* law would have applied if this Act had not been passed dies after the commencement of this Act, having at the time of his or her death and interest in the property of a *tarwad, tavazhi* or *illom*, as the case may be, his or her interest in the property shall devolve by testamentary or intestate succession, as the case may be under this Act and not according to the *marumakkattayam* or *nambudri* law.

Devolution of interest in the property of a *tarwad, tavazhi, kutumba, kavaru* or *illom*.

Explanation.—For the purposes of this sub-section, the interest of a Hindu in the property of a *tarwad, tavazhi* or *illom* shall be deemed to be the share in the property of the *tarwad, tavazhi* or *illom*, as the case may be, that would have fallen to him or her if a partition of that property *per capita* had been made immediately before his or her death among all the members of the *tarwad, tavazhi* or *illom*, as the case may be, then living, whether he or she was entitled to claim such partition or not under the *marumakkattayam* or *nambudri* law applicable to him or her, and such share shall be deemed to have been allotted to him or her absolutely.

(2) When a Hindu to whom the *aliyasantana* law would have applied if this Act had not been passed dies after the commencement of this Act, having at the time of his or her death an undivided interest in the property of a *kutumba* or *kavaru*, as the case may be, his or her interest in the property shall devolve by testamentary or intestate succession, as the case may be, under this Act and not according to the *aliyasantana* law.

Explanation.—For the purposes of this sub-section, the interest of a Hindu in the property of a *kutumba* or *kavaru* shall be deemed to be the share in the property of the *kutumba* or *kavaru*, as the case may be, that would have fallen to him or her if a partition of that property *per capita* had been made immediately before his or her death among all the members of the *kutumba* or *kavaru*, as the case may be, then living, whether he or she was entitled to claim such partition or not under the *aliyasantana* law, and such share shall be deemed to have been allotted to him or her absolutely."

Clause 10

12. That at page 6, line 10,—

after "daughters" *insert* "and the mother".

Clause 12

13. That at page 6,—

omit Clause 12.

Clause 13

14. That at page 6,—

omit Clause 13.

Clause 16

15. That at page 7,—

for lines 25 to 27, *substitute*—

"(2) Nothing contained in subsection (1) shall apply to any property acquired by way of gift or under a will or any other instrument or under a decree or order of a civil court or under an award where the terms of the gift, will or other instrument or the decree, order or award prescribe a restricted estate in such property."

[Secretary]

Clause 17

16. That at page 7,—

for lines 32 to 35, *substitute*—

"(b) secondly, upon the heirs of the husband;

(c) thirdly, upon the mother and father;

(d) fourthly, upon the heirs of the father; and

(e) lastly, upon the heirs of the mother."

Clause 18

17. That at page 8, line 25,—

for "clauses (*c*), (*d*) and (*e*) of sub-section (1)" *substitute* "clauses (*b*), (*d*) *and* (*e*) of sub-section (1) and in sub-section (2)".

Clause 19

18. That at page 8, line 31,—

for "sections 8, 10, 12, 13, 17, 25 and the Schedule" *substitute* "sections 8, 10, 17, and 25".

19. That at page 8,—

omit lines 40 and 41.

20. That at page 9,—

omit line 1.

21. That at page 9,—

omit lines 14 and 15.

Clause 25

22. That at page 10, line 30,—

after "has been deserted by" *insert* "or has separated from"

23. That at page 10, lines 30 and 31,—

omit "whose husband has left no dwelling house"

Clause 31

24. That at page 11, line 16,—

for "go to" *substiute* "devolve on"

Clause 32

25. That at page 11,—

for lines 25 to 29, *substitute*—

"*Explanation.*—The interest of a male Hindu in a Mitakshara coparcenary property or the interest of a member of a *tarwad, tavashi, illom, kutumba* or *kavaru* in the *property* of the *tarwad, tavazhi, illom, kutumba* or *kavaru* shall, notwithstanding anything contained in this Act or in any other law for the time being in force, be deemed to be property capable of being disposed of by him or by her within the meaning of this sub-section."

26. Renumber clause 32 as sub-clause (1) and *after* sub-clause (1), *add*—

"(2) For the removal of doubts it is hereby declared that nothing contained in sub-section (1) shall affect the right to maintenance of any heir specified in the Schedule by reason only of the fact that under a will or other testamentary disposition made by the deceased the heir has been deprived of a share in the property to which he or she would have been entitled under this Act if the deceased had died intestate."

The Schedule

27. That at page 12,—

(i) Line 5, *after* "widow", *insert* "mother" and

(ii) line 11, *omit* "mother".

ESTIMATES COMMITTEE

TWENTY-EIGHTH REPORT

श्री बो० जी० मेहता (गोहिलवाड): अध्यक्ष महोदय, मैं रेलवे मंत्रालय सम्बन्धी ऐस्टीमेटस कमेटी (प्राक्कलन समिति) की २८वीं रिपोट पेश करता हूं।

LIFE INSURANCE CORPORATION BILL

Mr. Speaker: The House will now proceed with the further consideration of the following motion moved by Shri C. D. Deshmukh on the 18th May, 1956, namely:—

"That the Bill to provide for the nationalisation of life insurance business in India by transferring all such business to a Corporation established for the purpose and to provide for the regulation and control of the business of the Corporation and for matters connected

therewith or incidental thereto, as reported by the Select Committee, be taken into consideration."

The time allotted is six hours, of which one hour and ten minutes had been spent and four hours and fifty minutes remain. Seven hours are allotted for the clauses and one hour for the third reading. No hon. Member was in possession of the House when the House rose the other day. I am now calling Dr. Krishnaswami.

11-47 A.M.

Dr. Krishnaswami (Kancheepuram): My hon. friend, the Finance Minister, while introducing this Bill, explained in detail the reasons which prompted the Government to undertake nationalisation of life insurance. I do not think it is relevant for us to go into the reasons which prompted the Government to undertake the nationalisation of life insurance. There are some reasons, some not so good and some dubious which we should leave to historians far removed from the passions of our times to pronounce on the validity of the grounds that prompted Government to nationalise life insurance.

The main questions which face us today are of a different nature. Is this measure which has been introduced for the purpose of constituting a life insurance Corporation calculated to promote a larger volume of insurance business? Is it likely to tap the savings in our rural sector and bring about a greater development? I have at the outset to express my concern at the manner in which we have dealt with these problems. We are, according to the scheme of the Bill in clause (3) to have a single Corporation to manage and administer life insurance. But, why have we shown a preference for a single Corporation,—a veritable monolithic structure? The greatest disadvantage that ensues from having a monolithic structure is that we would have no norms whatsoever to judge the performance of this Corporation. Had we elected to have five or six corporations operating throughout India, we would have much better opportunities to find out which of the corporations operated better than the others.

As it is, there are two checks on the working of the Corporation. There is the check which would be exercised by the Finance Ministry, there is the check that would be exercised by Parliament under section (29) of this Bill. But, it would have been infinitely better to have had an additional check exercised on the working of this body by giving scope to the market and the consumers' choice. If one particular corporation operates better than the others, with the same premium rates, with the same investment policies, with the same scale of salaries, then it would be an obvious indication to Parliament that there is scope for improvement on the part of the other Corporations. We must realise that insurance after all is a form of service, supplied to customers and the usual tests like workloads applicable to transport and other industries are out of place in the sphere of services. In the case of nationalised industries like insurance where all variables are constant the only variable that can make any difference is managerial effort, drive and initiative and this is precisely what we wish to judge and encourage in this nationalised undertaking. The argument urged with some force by many of my colleagues in the Select Committee, that there would be duplication of services, is of relatively minor importance. In the first place, if there is duplication of services by the sheer law of probability, the performances would not be anything like 'so great' and corporations are not likely to persist in a field where returns are not commensurate with efforts made. Secondly, the argument ignores the possibility of an enterprising manager entering a new field, and by his initiative, attracting new custom. But assuming that there is duplication of services —and there is always some duplication of services in the distributive sphere—it is a price which the consumer has to pay, and I do not see any reason why insurance should be different from other distributive services. If there is to be a single monolithic corporation, as envisaged in this bill the temptation would be for managers to sell insurance on the principle of 'take it or leave it'. Is this fair to the consumer? Unless we have some assessment of costs and benefits in our nationalised industries, our judgments are likely to go awry. In the case of the State Bank of India, which this House brought into being, it was expected that we would have 400 branches in 5 years. This development was envisaged by the Rural Credit Survey Committee which drew up a nice, neat, logical pattern of economic development, of paced banking development. What has happened? The Chairman of

[Dr. Krishnaswami]

the State Bank, in one of his recent speeches, pointed out that he could not start more than 20 new banks in the first year of the activity, and these 20 new banks curiously enough were envisaged by the old Imperial Bank of India as part of normal development.

What I suggest is that recently in planning for the development of our country we have tended to discount consumers' choice and the market, and have relied on logical schemes prepared by experts which may have their value but are in no case a substitute for the consumers' choice and market preferences. This is an unfortunate trend and no Finance Minister worth his salt should countenance it.

What is to be the constitution of the Corporation? I cannot agree with my friend the Finance Minister when he suggests that they have taken all steps possible to assure protection to all interests. The policyholders who own the Corporation, in the ultimate, have been left in the cold. After all the share capital of an insurance corporation is an insignificant amount compared with the amount paid by policyholders. What could have been more logical, Mr. Speaker, than to have provided for directors being elected by policyholders? Particularly in the new set-up, we have to realise that all forces will be arrayed against policyholders. The representatives of the State will look upon insurance primarily as a source of Government revenue. Probably, if there are representatives of labour they will be interested in the scales and salaries of employees.

What is to happen to the poor policyholder? In act passed on the initiative of Sir N. N. Sircar provision was made for policyholders' representation on the directorate and indeed nearly every sound insurance company in our country had directors elected by policyholders. Is it not a retrograde step to do away with the representatives of policyholders on the directorate and to suggest that we can rely on nomination to achieve this purpose? After all, these policies are essentially long-term contracts. They are made on certain assumptions, one of which is that profits and bonuses would accrue to policyholders in future. In the nationalised Corporation it is certain that such payments as are made would have to be determined by Government and such distribution can take place ignoring the interests of policyholders. It is a fantastic argument to suggest—as my friends have done—that policyholders will ultimately be there on the directorate of the Corporation. After all, everyone would be a policyholder, on the board but the directors are there not in the capacity of representatives of policyholders.

I pass on to two or three other important matters which have been referred to by my hon. friend the Finance Minister. I am surprised that there is no provision in the Bill, to incorporate in the statute certain healthy regulations which are in the present Insurance Act. We had, for instance, an expense ratio fixed in the Insurance Act. I cannot see any reason why it has been done away with. If private insurance companies can function within the limits of an expense ratio, why should not a public corporation do so? If private insurance had a restricted field for investment in enterprises, why should not a public corporation also function within the same limits? Why should not these be incorporated in the statute? They would act as healthy checks and they would also give a sense of confidence to the numerous policyholders and the new customers whom we wish to attract. This is a point which has been overlooked by my hon'ble friend the Finance Minister.

There is, however, one matter on which I cannot agree with some of the colleagues in the Select Committee. The Select Committee attaches too much importance to the Auditor-General of the Government of India. Now Auditor-General is a very eminent person. He has been conferred a status in our Constitution. But there is no justification for his being saddled with new responsibilities and duties. I should also like to add—and I would like to put forward this argument for the consideration of the House—that insurance companies stand on a different footing. I am opposed—totally opposed—to the Auditor-General being saddled with the responsibility of auditting enterprises—enterprises which are termed financial enterprises. It is all well, as hon. Members know, to audit accounts of companies where the area of discretion is limited. In the case of insurance the Corporation will have to deal with hundreds of agents, thousands of policyholders. It will also have to make decisions on an enormous number of investment transactions. Even if the bulk of the funds is invested in Government securities, the shifting of funds from one type

of Government security to another would involve judgment and exercise of discretion. Whatever involves judgment carries with it the possibility of a margin of error. The rules framed by the Auditor-General—those who have perused the manual prepared by the Auditor-General's Department know it—clearly show that every error of judgment is penalised. If every error of judgment is to be reprimanded by the Auditor-General, there would be no incentive whatsoever for those in charge of business to take decisions. Indeed those who wish to kill the nationalised Life Insurance Corporation can do no better than invoke the authority of the Auditor-General.

In this connection, I should like to suggest that, under the present set-up, we have to envisage the difficulties of those who will be called upon to run the nationalised Life Insurance Corporation. Under the new set-up, we will not be giving them bonuses or rewards for taking right decisions. On the other hand if for every decision, which involves an error of judgment, we are to haul them, then there would be no possibility of anything being done. Things will remain as they are. Insurance will be conducted according to the usual principles of a Government department. In that case, we need not have a corporation. We could have made insurance management part of a Government department. But, this, at any rate, does not seem to be the wish of hon. Members who have advocated that the Auditor-General should be given these new responsibilities.

Let us look at this matter from another point of view. It is true that the Government will be contributing about Rs. 5 crores of share capital to the new Insurance Corporation. But the amount of money that would be contributed by policyholders would be innumerably larger and, if we wish to protect the interests of policyholders, we should have a system of audit which is quite different from the conventional type of Government audit that is done by the Auditor-General.

It is one of my regrets that the Auditor-General's Report on the working of the Industrial Finance Corporation did not form the subject of a special debate in this House. Perhaps, if this had happened, some of us would have had an opportunity of throwing light on the peculiar criteria that have been evolved by the Auditor-General for evaluating the proper working of financial institutions.

What I am suggesting is that it is better in this case to have commercial auditors who work on the principle that they will check only where discretion has been exercised without authority. It should be sufficient from the point of view of Parliament to have reports—detailed reports—presented to Parliament on how the Corporation is working. So far as internal checks are concerned, these are as I have pointed out effective. But, as I have pointed out, external checks which do not take account of market fears are absent and it is from this point of view that the new institution is not likely to function efficiently.

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I have little to add on the other points relating to employees and their welfare. I hope the Finance Minister will pay due attention to the large number of temporary employees, who are awaiting confirmation subject of course to their satisfying certain reasonable tests. Many hon'ble members feel that so far as life insurance business is concerned, there are difficulties which have been slurred over in the present Bill. Some among us entertain deep misgivings regarding the future. Things may not move as fast as we envisage; but, if perchance it should turn out that our fears are concealed liars, no one will be happier than myself. Only I wish that the hopes which my hon. friend entertains do not turn out to be dupes.

A variant of the proposal to give the Auditor-General powers was made by my hon. friends to the effect that the Auditor-General should have the authority to appoint auditors and that they should function under his superintendence. What difference does this make, except that it gives the Auditor-General the power to exercise patronage? I am totally opposed to giving an authority like the Auditor-General this power. I do feel that it is necessary that we should have these auditors appointed by the Finance Ministry and their working reviewed by Parliament continuously. It is one of my regrets that this Life Insurance Corporation is a monolithic structure. Being necessarily a monolithic structure, it has those disadvantages which I have indicated earlier in my speech. I hope that with the experience

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gained in another six or seven months, Parliament would be in a position to amend this Bill, so that we may have five or six corporations for the purpose of promoting a greater amount of life insurance business and at the same time protecting the interests of the policyholders. There is today a great deal of talk about protecting the interests of the policyholders. Everybody seems to be interested in the policyholder, but when it actually comes to formulating proposals for ensuring his protection there are few who seem to have the policyholders' interests at heart.

Shri Gadgil: (Poona Central): It is only their policy.

Dr. Krishnaswami: As my friend has pointed out, it seems to be a policy to speak for the policyholder and not to do anything substantial for him. I would beg and pray this House to consider the interests of the policyholders to study the implications of the Act which was brought in by N. N. Sircar and decide on whether more security cannot be provided for the policyholder.

Shri Gadgil: I generally support the recommendations made by the Select Committee and incorporated in its report. The great experiment of nationalisation which so to say begins whith the nationalisation of life insurance, in my humble opinion, had started in auspicious circumstances. Only this morning I read from the *Hindustan Standard* in its weekly Bombay letter that the experience of insurance agents since the promulgation of the ordinance has been very encouraging. The letter goes to show that the malpractices have considerably gone down and business is increasing. That encourages me to say that the experiment has begun in very auspicious circumstances.

The usual tests to judge whether nationalisation has succeeded or not are less cost of production, more production, greater efficiency, better relations between the management and the members of the staff etc. So far as cost of production or cheapness in service is concerned, Government has already rationalised the rates of premium and in many cases, they have secured this in a certain sense. As far as efficiency is concerned, it is too early to sav. Indications go to show that there is bound to be greater efficiency, as there is bound to be greater and stricter control over the whole field. As regards labour relations, I understand that the policy of the Government is that everyone who can be absorbed will be absorbed, unless the Corporation or those who are in charge of the Corporation come to the conclusion that any section of the staff is surplus. So, by and large, this experiment has started very well. What has attracted me more than anything else is the way in which the problem of personnel who are to run the nationalised industry has been solved. We have been told very often, sometimes *ad nauseam*, that we have no personnel to run the industries if you enter on a programme of nationalisation. Two points are always made, one about compensation and the other about personnel. So far as personnel is concerned, this point was raised last year and year before last during the Budget discussion and I then pointed out that one cannot conceive of a planned economy in which only production and manufacture are planned, but not personnel or man power. If you straightaway nationalise the textile industry and encadre those who are already in it—you can transfer a man who is at Ahmedabad to Kanpur and so on and so forth—the available talent in the country will be utilised and there will be nothing like a vacuum in the sphere of management. Not that Government has gone on with my advice, but independently, this is the right method to utilise the talent which is already there in such a manner as to secure the best results from the nationalisation of any particular industry.

In this connection, the experience of China is more or less of this character. Shanghai, a city with six million people, has completely abolished the capitalist system of production. Shanghai was responsible for 40 per cent. of the production in the private sphere and 15 per cent. of the value of private trade and commerce. How did they do it? They started with joint managements. The assets were valued and before this experiment was entered upon, there was a sort of moral campaign which is known as U. Fan where the people were asked to see that there was no bribery in Government offices, that there was no cheating in Government contracts, that there was no stealing of economic information like budget leakage and many other things. These were the evils described by the name U. Fan. When the campaign was made with a fair measure of intensity, they entered upon the second stage. The

simplest way for China was to pay no compensation and take over the ownership and management. That they did not do it is a matter for them, whether for congratulation or otherwise. But, if that problem is posed here and if I have anything to do with it, I will take it straightaway without compensation because this politics of compensation is completely at variance with our ideal of a socialist stage. We are talking of democratic socialism which, in my humble opinion is economic plutocracy. When you insist on everything being done in a strict democratic manner, when you do not allow the lopping off of the tallest poppy and leave it as it is, and make such efforts as to level up those who are below, the result is, till the millennium is achieved, there is a section in private enterprise which grows richer and richer every day though the diffusion may be a little more than what it is today and it is not socialism. I cannot conceive of socialism unless in that particular community there is an atmosphere in which there is no possibility of concentration of wealth in present as well as in future. In other words, the principal means of production must be nationalised. That was the atmosphere growing on since the Avadi Resolution. It seems now certain people are having second thoughts on this. As one of my friends Shri Masani has written a book *Socialism Reconsidered*, it seems that some people are going to reconsider socialism. The greatest danger today is in this intellectual sphere. We have to join issue not only in the practical implementation of the Plan, but even in the intellectual sphere. Very recently, one of my colleagues, Dr. John Matthai made a very brilliant speech at the Rotary club. I do not want to criticse it because a more relevant occasion will come when the Second Five Year Plan will be under discussion. What I am pointing out is that definitely there has been a little change and though it may be a little today, it is very likely to assume a bigger proportion. Therefore, it behoves the Members of this House who are pledged unanimously to see that the future India is a socialist India to be alert.

What I am going to say is this. To pay compensation and to pay it on the market value principle is completely inconsistent with the idea of a socialist state. If you pay them compensation at the rate of the market value, then, they have to undertake no risk, they become another class of hereditary barons receiving income by way of interest or whatever you may call it, day in and day out, every six months or whatever be the arrangement. Therefore, I submit that in this matter, there must be greater consideration about the way in which the compensation formula should be arrived at and the method by which that compensation is to be paid. When the Imperial Bank Acquisition Bill was under consideration, I protested wherever I could and at that time, we were told that certain commitments were made. When this Ordinance was promulgated, wherever I had an opportunity, whether here or outside, I stated that there should be no commitment so as to bind the Members of this hon. House. I have gone very carefully through the formula or the principles of compensation proposed by the Select Committee. I must fairly concede that it is better from the community's point of view than the one which was adopted when the State Bank Bill was passed. Whether I am satisfied or not, I will always welcome improvement in this formula in such a manner as to give less and less to the shareholders and to give more and more to the community at large.

Just now I have no particular suggestion to make. One suggestion I want to make is this. Whatever be the formula, you arrive at the figure which is to be paid to the shareholders; but instead of paying it in cash straightaway, my humble suggestion is, pay the amount in 20 equal annual instalments. When I was discussing this, with one of my friends associated with business, said —some of them still like to associate with me and I am not entirely an outcaste yet—you are doing a great injustice to the small man. He said, suppose a man has one or two shares in an insurance company; instead of paying the amount of compensation straightaway, you will make him receive it in 20 instalments over a period of 20 years. My answer to him was this. In any case, he was going to get every year whatever dividend may be arrived at by the directorate. On the contrary, the great advantage is that for the next 20 years, he will have the certainty, he will have the assurance that he will be receiving so much. Within 20 years, he can adjust his life and by the time the 20th instalment is paid, his claim is completely satisfied. He has to get nothing thereafter. If you pay him the amount straightaway, the money is there and if

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he gets it, he continually gets interest on the same. That is exactly the method followed in China today. Immediately the capitalists and the workers come together, they present an application. The concern is taken over by the State and jointly managed. Such of the capitalists as are willing to work, provided they are fit, they are wage earners absolutely on a level of equality. So far as their share value is concerned, that is paid at a fixed rate, for a prescribed period. It may be 15 years or 40 years. That would depend upon the character of the particular concern. Since in this Bill a formula 5 per cent. is taken as the rate at which it should be capitalised, I have suggested a period of 20 years. Suppose, for example, my capitalist friend here is entitled to Rs. 1,000 for his share in a particular concern, he should be paid Rs. 50 every year for a period of 20 years. He could have certainty in his budget for 20 years that he is going to get Rs. 50/- without further risk or trouble. All his affairs will be put on a solid, sure, certain basis. At the same time, he can square up his conscience you have given to Caesar what is Caesar's you have given to God what is God's and you have given to the community the corpus of the capital. For a period of 20 years in which you are expected to live—in some other circumstances, that would be a different matter —we guarantee that you will live in happiness with 5 per cent. of the value as may be arrived at. That is my humble suggestion. With a view to ensure this I have given an amendment. Some people may be dissatisfied with the particular formula of compensation; yet, the method of payment that I have suggested will go a long way in satisfying them. I am asked what is the guarantee that the companies will pay compensation to the shareholders. When the company is nationalised, the guarantee is given by the State.

Shri Feroze Gandhi (Pratapgarh Distt. —West *cum* Rae Bareli Distt.—East) : The question is whether the company will pay the amount to the shareholders. What is the guarantee? They might not. They might decide in a general body meeting not to do so.

Shri Gadgil : I follow. If the suggestion is made that the payment may be made through the companies I suggest there should be no intermediary between God and the Bhakta. There should be no intermediary like the company. The Finance Ministry will pay straightaway to the shareholders who are registered.

Shri Feroze Gandhi : That is not being done.

Shri Gadgil : I am requesting hon. Members to give due consideration to my suggestion. I am not suggesting something which is entirely novel, unheard of or very much radical. This is much better than paying no compensation at all. This is the method which is followed in China. We are so much delighted at the progress of China. Let us borrow a leaf from China.

Shri Asoka Mehta (Bhandara) : As we have been progressing with the nationalisation of life insurance, we find that more and more support is forthcoming firstly to the criticisms that were made and the charges that were levelled by the Finance Minister against the way life insurance was carried on in this country by the private sector, and secondly to this idea of nationalisation. Any one has only to go through the evidence that has now been published, the evidence that was tendered before the Select Committee, to find out that this kind of increasing support has been growing.

The Select Committee's report and the various changes that have been made by the Committee in the original Bill have been lucidly explained by the Finance Minister in his speech, but I find that there are certain points to which the Finance Minister either has not tried to apply his mind or has failed to give us the wonted lucid explanation.

For instance, I would like to touch the question that was raised by my friend Dr. Krishnaswami. What position are we assigning, what place are we assigning to the policyholders? I find that the only reference to policyholders in the Bill is in the last clause where it is said that representatives of the policyholders might find a place in the divisional councils. Over and above the divisional council either in the zonal committees or in the Corporation as a whole if the policyholders' representatives are to come, evidently they will come only through nomination. Will they be nominated by the Government or by the Corporation, according to their own predilection, or will the nomination merely be a kind of stamp or seal of approval on persons who have been selected or elected by the policyholders? It is all very unclear and I expected that the Finance

Minister would have enlightened us on this point, because, surely, the large number of policyholders are interested in having a say in the running of the Corporation. It is not enough to say that they will be represented merely in the divisional councils. There naturally they would be able to bring up any questions, any deficiencies in the servicing of policies. That is important, but in the over-all control, in the over-all management of the Corporation, the policyholders who have the largest stake in the Corporation, must have an effective say. And I am surprised to find that the Select Committee and the Finance Minister have not enlightened us on this important point.

The question that has been discussed over and over again in the course of the evidence that was taken and on the floor of the House is whether there should be one Corporation or more than one Corporation. The whole question, to my mind, boils down ultimately to the question whether we shall be able to gear up our organisation, whether we shall be able to attend to the administrative details, to the new administrative patterning that is necessary if one Corporation is to be created. I find after carefully going through the evidence volume that the advantages are on the side of a single Corporation, but those advantages will be gathered only if the fullest care and attention are given to the setting up of the administrative structure of the organisation. On the last occasion I had devoted a considerable portion of my speech to emphasising this very point. I do not know what attention, if any, the Finance Minister has given to this subject, but there is no doubt that the future of the expansion of the public sector in our country depends to a considerable extent on the success we make of this Corporation. This Corporation must succeed not only to make nationalised enterprises more and more acceptable to our people, but on the success of this Corporation depends to a considerable extent the success of our economic planning. We know that our planned efforts can succeed only to the extent we are able to augment savings in our country. Public savings are unfortunately woefully limited, and we have, therefore, to make increasing drafts upon private savings. One of the major ways in which private savings can be augmented would be to make this Corporation a remarkable success. And this Corporation can become a remarkable success only to the extent we are able to make the working of the Corporation efficient and thoroughly economical.

I agree with the Finance Minister when he said that there is no need to have any kind of a limit fixed for the expense ratio, not because one would like or one would supinely accept an increase in the expense ratio, but because I believe those of us who are today gathered here to launch this Corporation on its historic voyage are sure, are convinced and are determined that the expense ratio will be and must inevitably be below the limit that has been fixed under the Insurance Act. It is because of that confidence that I would not demand the incorporation of that particular provision in this Bill, and I am sure, as the Finance Minister has said in his speech, every effort will be made to keep the expense ratio as low as possible. After all, this House will be getting an opportunity every year to review the working of the Corporation, and this is one of the points on which I am sure the Finance Minister knows that we shall be very, very critical.

Then again, a man like Shri A. D. Shroff, for whom I have great respect, a man of remarkable talent and great has said in his evidence before the Select experience, has staked his reputation and Committee: "I am prepared to stake my reputation that the expense ratio will go up if you are going to make an attempt to run into the rural areas to get business." He said this in the light of his experience. We are going to make an attempt to run into the rural areas to get business, and I would like the Corporation to try out new methods. I do not know if we can make village panchayat our agents to canvas business for us, if we cannot go in for some kind of group insurance in the villages. If in offices there can be group insurance, why can we not develop it in the villages? But here is an eminent person who has done a lot to develop insurance in our country, a person whom the Government and the people of India have respected for his great experience and great ability, who has staked his reputation. I would like Government and this House also to stake their reputation on this point and say that we shall carry insurance into the rural areas and we shall do it in a manner which will be wholly economical and efficient. Various new ways will have to be found out. The Finance Minister referred at one place to the need to stick to the

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status quo. I hope at least in this field he will not try to stick to and remain wedded to the *status quo*.

I have just one word to say about the employees, and it is this, that before compensation is given to the shareholders, surely some provision should be made to see that old employees who have worked and put in long years of service are able to receive their gratuity or provident fund when they retire. From the provisions that have been made in the Bill, I find that in case in a particular company provisions for gratuity or provident fund already exist, the trust funds would be taken over and looked after by the corporation. But supposing there are companies where no such provisions had existed in the past, are you going to throw all those loyal employees whom you are gonig to take over, on the streets after two or three years when they retire, and say, 'Well, we are not responsible, we have paid compensation to the shareholders. This corporation did not inherit any kind of fund from the previous company, and therefore we owe you no responsibility'? In a country where we are working for a welfare State, this kind of responsibility should be taken for granted, and I hope that in calculating compensation, this particular factor also will be taken into consideration.

I would like to say one or two words about compensation. Firstly, I do not know what will be the exact amount of compensation. I find that the *JK Review* has worked out the compensation figures on the basis laid down in the Bill as referred to the Select Committee. It says that for 52 companies, the amount of compensation would come to Rs. 3,21,48,000 while the share capital involved in the case of these companies would come to about Rs. 30,98,000. Does it mean that the compensation works out to over ten times the share capital?

I find now that efforts are being made to increase the quantum of compensation. Various suggestions have been made. I shall not repeat them. They have been explained by the Finance Minister in his speech. What will be the result of that? Instead of ten times, are you going to pay them compensation at fifteen times the share capital? What are the reasons for increasing the amount of the compensation? The Finance Minister in his speech has only said that he has sympathy with those who have raised this question. He says that the earlier scheme of compensation has been rationalised. He says, why should some people get it on the basis of the 1953 valuation, and why should others get it on the basis of the 1954 valuation. Then again, he says there has been an increase in business in 1955, and that spurt needs to be taken into consideration.

But taking all that into consideration, are we justified in increasing the quantum of compensation in the way in which we have done? I would like to know from the Finance Minister, before we are called upon to discuss this Bill clause by clause, as to what the amount is going to be, and how much we are going to be called upon to pay as compensation, and what multiple that compensation forms to the capital invested by the shareholders concerned in the companies.

Then again, I would like to know whether the compensation will be liable to taxation or not, because that question has also been raised in the course of the evidence, and whether in view of the provisions made in clause 39 of the Bill, the companies will be treated as dissolved or not, and if they are treated as dissolved, whether section 2(6)(a) of the Income-tax Act will apply to them.

These are things that I am sure the shareholders are anxious to know, and we are also anxious to know, because I believe that on these things some kind of a definite and clear policy should be there, because I do not think this is the last piece of nationalisation that we are having. Whatever is done should naturally be ust to the community as well as just to the persons concerned. There is no point in paying high compensation, and taking it away through heavy taxation. If the idea is to have heavy taxation later on, that also should be made clear, so that friends like Shri Gadgil and others may not labour under false fears.

But the point which to me is very important—and it was only for this point that I encroached upon your time —is in regard to audit. I find that the Finance Minister dealt with this question in regard to the provisions for audit in the Bill, and he has put forward various arguments why audit cannot be entrusted to the Comptroller and Auditor-General. A note was circulated to me from the office of the Comptroller

and Auditor-General of India, and I am sure the Finance Minister also has got a copy of that note. It is a very valuable note.

The Minister of Finance (Shri C. D. Deshmukh): We have not got it.

Shri Asoka Mehta: I had hoped that the Finance Minister would have tried and answered the various points that have been raised in that note.

Shri C. D. Deshmukh: I have not received the note.

Shri Asoka Mehta: I am surprised.

Shri N. C. Chatterjee (Hooghly): Every Member of this Parliament has received.

Shri C. R. Narasimhan (Krishnagiri): On a point of order. A note by the Comptroller and Auditor-General is being discussed, and the hon. Member who is speaking mentions it. The Finance Minister says that he has not got it. Will it be relevant if I request that it may be placed on the Table of the House for the general benefit of all Members?

Mr. Speaker: To whom was it sent?

Shri Asoka Mehta: I have received this copy along with my parliamentary papers. But there is one thing mentioned there, namely 'RESTRICTED'. That means that the circulation has been restricted. It has not been mentioned as confidential. The note has come from the office of the Comptroller and Auditor-General, and it is signed by the Director of Co-ordination and Secretary to the C & RG.

Shri Jhunjhunwala (Bhagalapur Central): Is the hon. Member's name given there? Has it been circulated to all the Members? We have not got copies of it.

Shri Asoka Mehta: I received it along with the parliamentary papers that are received from the Lok Sabha Secretariat.

Mr. Speaker: The Finance Minister is as much a Member of this House.

Shri C. D. Deshmukh: I do not know whether it is circulated only to Members of the Public Accounts Committee.

Shri Raghavachari (Penukonda): And the Estimates Committee.

Shri Asoka Mehta: I am not a Member of that Committee. But I have received this note.

Pandit Thakur Das Bhargava (Gurgaon): We have not got this note. We do not know what is contained therein.

Shri C. R. Narasimhan: My point is not whether it has to be circulated to all or not. But the note having been mentioned here, and it being relevant, I want to know whether you could order that it be placed on the Table of the House.

Mr. Speaker: Any hon. Member who reads an extract or any portion from any document must place it on the Table.

Shri Asoka Mehta: The office has already copies of it. But if you want, I shall give this copy. [*See* Appendix XIV, annexure No. 32]

Mr. Speaker: The office may have a number of copies. But if it is placed on the Table, it will become a part of the record.

Pandit Thakur Das Bhargava: I would request the hon. Member not merely to refer to it but to read some relevant portions from it, so that others who do not know about it may know what it contains.

Shri C. R. Narasimhan: The other day also, another hon. Member had mentioned the document in question, and Government had expressed their ignorance about it. Today also, the Finance Minister has expressed his ignorance about it.

Mr. Speaker: I shall get it circulated.

Shri C. R. Narasimhan: I want that for the benefit of the House, it should be circulated.

Mr. Speaker: If the Comptroller and Auditor-General wants it to be kept confidential or private, hon. Members will try to keep it to themselves.

Shri Kamath: It is said that it is 'RESTRICTED'. I do not know what it means.

Mr. Speaker: Anyhow, that is the Auditor-General's opinion.

Shri Asoka Mehta: I am sorry I was not present here the day before yesterday when this question was first taken up.

Shri C. D. Deshmukh : Is this proper procedure for anyone to circulate notes to the Members of Parliament?

Mr. Speaker : I do not know. As a matter of fact.....

Shri C. D. Deshmukh : I understood that on the executive side, the Comptroller and Auditor-General has relations with Government, and he has certainly sent us his opinion as to what should be done, and I have referred to it in my speech; on the other side, he has relations with the Public Accounts Committee, and certainly what passes between him and the Public Accounts Committee is no immediate concern of mine. I never appear before the Public Accounts Committee; the officials of the various Ministries appear before them, and certainly the Comptroller and Auditor-General can circulate what he wants to the Public Accounts Committee. But if the matter is under discussion, I am not aware if the Comptroller and Auditor-General is entitled, shall we say, to circulate to all Members of Parliament in regard to what his view is about matters which are being discussed on the floor of the House. I am quite unclear as to what the proprieties of the occasion are.

Mr. Speaker : This is a matter which I shall have to examine. This is a matter relating to a nationalised industry. There are different views expressed as to whether nationalisation should be followed up to its logical conclusions. The Comptroller and Auditor-General is in charge of the audit of various departments like the Railways. Even they are commercial enterprises run departmentally. Here, the question is whether on account of the mere fact of there being a corporation the Comptroller and Auditor-General should not have control. In the company law, in so far as public companies and Government companies where Government have an interest are concerned, the Comptroller and Auditor-General seems to approve the nomination of a particular auditor and then have also some general supervision. These are the various ways in which the Comptroller and Auditor-General is brought into play, or kept informed, and is given some jurisdiction. This is the position on the one side. On the other side, it is said that this being a commercial proposition, the Comptroller and Auditor-General ought not to look into it meticulously; it must be treated as a commercial affair, and purely commercial auditors must be appointed for audit purposes.

Under these circumstances, on the one side there is an expert on behalf of the Government, who is also responsible, as an independent person under the Constitution, for certain functions, just as the Attorney-General is asked to come and give advice or the Election Commissioner carries on his business or as the Public Services Commission discharge their functions. He may be under the jurisdiction of the Finance Minister. I do not know how far it is so.

Dr. Krishnaswami : No.

Mr. Speaker : He is independent.

On the other side, his duty is to inform this House and Committees of this House as to what the opposite view is. He is the watch-dog of the public finance. If he has sent round a circular or given a note to enable Members of the Committees on Public Accounts or Estimates to form their opinions, however high he may be, it is the Members of the Committee and of this House who have to ultimately pass things. If it has been sent to a few Members, I would consider whether it is not proper to send it round to other Members also. One hon. Member has got a copy and it is left to his sweet discretion to read some portions and not read the other portions. Some other Members may try to make use of some other portions. Therefore, I shall consider as to whether when once a paper has been brought in here, apart from the question as to whether I would direct the Comptroller and Auditor-General to give his opinion or not; that is quite a different matter; it does not arise now—it should not be circulated to all Members. I understand he has sent copies and they were circulated through the Lok Sabha Secretariat to the Members of the Estimates Committee. Some other Members also might have got copies.

As regards the general question raised by the Finance Minister as to what ought to be the relations in these matters, as to whether we are entitled to ask the opinion of one who may hold a view different from what the Finance Minister might hold, or whether it is competent for the Comptroller and Auditor-General to give that opinion, so that we may assess the values properly, I shall consider the matter. As I said, I shall also

consider whether copies should not be made available to all Members here. But this much is clear, that once an hon. Member reads from a Report or some document, he must place it on the Table of the House. Therefore, in one way or other, it will be in the hands of Members. Whether I should not, in advance, circulate copies of the statement is the only point that requires consideration.

Shri K. K. Basu (Diamond Harbour): You will also please consider whether he is not entitled to exercise check over moneys which flow from the Consolidated Fund, and that being so, whether he has not got a right to keep us informed.

Mr. Speaker: I am only considering it; I have not said anything against it.

Shri Asoka Mehta: I am personally grateful to the office of the Comptroller and Auditor-General for the note that has been circulated. It is valuable because this particular question raises a number of thorny and complicated issues. I find that the Finance Minister has not been properly briefed because there are points which are raised in this note, to which the attention of the Finance Minister has not been drawn. I am anxious to draw his attention to these points so that when we take up clause by clause discussion, we may be able to proceed with fuller information before us.

Firstly, as far as this Corporation is concerned, the capital of the Corporation will be provided by Government under clause 5(1) and the policies will be guaranteed by Government under clause 37. The Finance Minister has argued that in the U.K. the Comptroller and Auditor-General is not saddled with the responsibility in the case of nationalised enterprises. But it is pointed out that in England, the nationalised enterprises are not financed directly or entirely by a corresponding withdrawal of public funds from the Consolidated Fund. There the method is different. It is no direct investment of public funds. They are required to raise the necessary capital in the market usually by issue of debentures, and they are responsible for servicing them. The Finance Minister also referred to the Select Committee of the British Parliament that has gone into this matter. The Select Committee, it will be noticed, had suggested that there should be a Standing Committee of the House to examine nationalised industries and that that Committee should be assisted by a whole-time officer of the status of Comptroller and Auditor-General.

As you know, this particular proposal was discussed here also, and so far this House has not agreed to have a Select Committee or a Standing Committee of that kind. Secondly, as has been pointed out, these nationalised enterprises in England are not financed by funds drawn from the Consolidated Fund, but the finance is raised from the market. These are important matters that need to be gone into.

Then, again, as the office of the Comptroller and Auditor-General points out, the Comptroller and Auditor-General of India has a commercial audit branch administered by an Accountant General who is a chartered accountant of considerable standing and experience. Suppose the Auditor-General is completely kept out, as the Finance Minister is suggesting. Whose responsibility will it be to look into the working of the Corporation? For instance, it is pointed out that the auditors will be precluded from dealing with such questions as adequacy of financial control, avoidance of wasteful expenditure, extravagance etc. They cannot also concern themselves with ascertaining the unit cost of operation and exercising an all-important check on a monopolistic concern to assess and measure its efficiency and economy. These are the points which are very important. Once we decide to have a single Corporation, as was pointed out by Dr. Krishnaswami a little earlier, it becomes very necessary to have some kind of internal check because there is no external check available. For various reasons, we are of the opinion—at least the majority of the Select Committee was of the opinion and I support that opinion—that there should be only one Corporation. But that one Corporation will be able to do its work efficiently and economically to the satisfaction of Parliament, only if this kind of effective, efficient, thorough internal check is available.

Secondly, we are told that the Corporation will be placing before Parliament every year not only a report of the work done in the past year but also an account, which will be included in the report, of the activities, if any, which are likely to be undertaken by the Corporation in the next financial year. That will, of course, provide some kind of a check because we shall know how far the Corporation has been able to fulfil

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the targets that it has placed before itself. But by itself that will not be enough. I would like to find out from the Finance Minister whether, when we get the annual report, it would be possible for any Member here, without the assistance that an officer like the Auditor-General would be able to offer us, to make a searching inquiry into the working of the Corporation. We shall get the report. We may get a day or two or perhaps a week to go through the report. We shall do it cursorily. We may have to depend on some hearsay stories that may come to us and a perfunctory debate will take place. Let us have a Standing Committee, as was suggested by the Select Committee in England in respect of their nationalised enterprises, which will have the necessary equipment, which will have the requisite quota of officers, to make thorough inquiries into the working of the nationalised industries. Then a Members of that Standing Committee or Select Committee or statutory committee—whatever it is—will be in a position to come here and answer or challenge the Government on various important points with the requisite information and knowledge. If we have not that, the alternate course is to let the Comptroller and Auditor-General go into the working of this Corporation, so that Parliament is able to exercise its check in a proper and vigilant manner.

We have kept policyholders out of the control of the Corporation. We are keeping the Comptroller and Auditor-General out of control and supervision over the Corporation. Who then ultimately is going to look after the Corporation? We know that the Finance Minister is so busy with so many other matters. So ultimately the Corporation becomes so autonomous that there is hardly any one to look into and inquire into the mistakes that might be made from time to time. Nobody wants—and I would be the last person to want—in any way to fetter the normal working of the Corporation. But here, as all of us are agreed, is such an important experiment, which is going to have such far-reaching consequences, that we want to see that this particular Corporation carries on its work in a manner that would satisfy all concerned. Parliament is taking over a tremendous responsibility. Hundreds of thousands of policyholders are involved; crores and crores of rupees are involved in it. Here a single Corporation is being set up. I would appeal to the Finance Minister to review and reconsider the decision that he has taken. If he is not going to permit the Auditor-General to come into the picture, let him tell us what are the new internal checks that he is going to provide. Merely to say that the annual reports will be placed before Parliament and Parliament will be able to look into them and exercise the necessary supervision and control, I think, is asking of this Parliament much more than it can do under the prevailing circumstances.

Sometime ago when my hon. friend, Dr. Lanka Sundaram raised the question of having a committee to supervise or to have an overall direction over the nationalised industries, the Finance Minister, if I remember aright, at once got up and opposed the proposal. He cannot have it both ways; heads I win and tails you lose. That cannot be the attitude towards this House and it will make it almost impossible for us to agree to the expansion of the public sector in this country. I am very anxious that the public sector should be expanded but that expansion is possible only when effective checks are provided and these effective checks have to be provided internally when the Corporation concerned is monopolistic in character. I would, therefore, request the Finance Minister to clarify his attitude on the various points that I have raised and I would appeal to the hon. Members of this House to give their greatest consideration to this question of audit because, to my mind, that is even more important than the question of compensation to which, it seems, greater attention is being given.

Sardar Hukam Singh (Kapurthala-Bhatinda): Mr. Speaker, the changes that have been brought about by the Select Committee were explained by the hon. Finance Minister and, I think, many of them are welcome ones. But, in spite of those, there are two or three points on which I have my own fears and I want to bring them to the notice of the hon. Minister.

There is no doubt that the addition of clause 8 by the Select Committee is very wholesome. But, as has been argued by the hon. Member who preceded me, it should not be confined only to those insurers or concerns where those trusts existed and a provision for pension or other provident fund was already there. It should be extended to others also who are taken in.

Then, I come to clause 11, on which I feel very strongly. It has been provided that every whole-time employee of an insurer, whose controlled business has been transferred to and vested in the Corporation, and who was employed by the insurer wholly or mainly in connection with the controlled business immediately before the appointed day, shall become an employee of the Corporation. That is the provision made so far as permanent employees are concerned. The Minister of Revenue had made a speech in the Rajya Sabha and gave an impression that all persons in the permanent employ of these insurers would be absorbed normally. But, now, when about 6 months would have elapsed between the date when this business was taken over and the appointed day, which would be the day as defined under this Bill, that is when the Corporation is established, during these six months, several employees—permanent employees—would have been thrown out. The Custodians were appointed in several cases and some of them were taken out of the old companies. They had their own prejudices, likes and dislikes. They absorbed some and threw out others. Is it to be left to these Custodians, and has Parliament only to put its seal on the decisions that they have taken that only those permanent employees who are in service immediately before the appointed day shall be absorbed? If that is the intention, then, it certainly goes against the policy that was declared more than once by the hon. Minister and the true spirit in which this provision was conceived.

I know of many cases, not one or two, where, if those persons had been continued in service, perhaps, they would have brought several lakhs of business by this time. But, as the Custodians had their own pets, their own favourites or even if they acted according to their own, perhaps, judicial discretion, if they thought that they were not worth continuing, would their decision ultimately prevail or would there be somebody who would look into the cases of those persons who have not been retained during this period? They have been thrown out and not in service now. If these words, 'immediately before the appointed day' remain, then there will be a large number of these people who are sure to suffer very heavily for no fault of theirs. There might be competent men and the Corporation would be deprived of the valuable services of those who had rendered useful service for the last 20 or even 30 years and who were in this line all along.

I now come to sub-clause (2) of this clause wherein it is provided that the Corporation can alter, in such manner as it thinks fit, the terms and conditions of service of the employees in regard to their remuneration etc. And, if the alteration is not acceptable to any employee, the Corporation may terminate his employment on giving him compensation equal to three months' remuneration, unless the contract of service with such an employee provides for a shorter notice of termination. Apparently, it seems quite good. But, almost all companies had a provision for termination of the service at a notice of one month. There might be very few who had longer periods of notice. It can be argued that if those employees were serving on those conditions, where is the justification that they should now be given more favourable terms. It must also be remembered that if an employee was served with a notice and given notice of one month and went out of service from one particular company, he had so many other companies to serve in and he could find employment as soon as he went out of one company. There was ample scope for him. But, now, there is the Corporation and he is being served with this short notice. It would be very difficult for him to find service in other business than the one for which he is so well qualified and in which he has served for such a long period. This requires very careful consideration because the Corporation would be losing the services of such a man who has served this line for the whole of his life.

Even under the present Act, there cannot be any alteration in service conditions to the detriment of the employee and, under the Industrial Disputes Act, if his services are terminated, he is entitled to 15 days' pay for every year of service. These conditions are not being applied here and the only provision that is being made is that normally he would be entitled to that notice of one month or, at the most where there is no contract, he will have 3 months, though he might have served for over 25 years. That would be very hard on such persons for which there should be a provision.

Since most of the points have been dealt with by my hon. friends, I would not go over those things again. I come

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to the Schedule, so far as compensation is concerned. The Report says that the Committee have taken notice of the increase in business after the valuation had been made and, therefore, they had to recast most of this schedule, which provided for compensation to these insurers. But I have been told—I cannot vouchsafe for its correctness—that in the case of certain companies, if this compensation is counted it would come to about forty times the original share value of a particular company. That must be scrutinised and care should be taken to see that the compensation paid is reasonable.

1 P.M.

Then I have certain other facts about compensation to be brought to the notice of the hon. Minister. Though last valuations have been altered now as the basis for counting compensation, yet the valuation, the declaration of surplus and the reversionary bonus, these are the bases on which compensation is to be counted. As I submitted last time, it is not safe to rely on the valuations that have been made by different companies. Their bases were different. Some bigger companies had actuaries of their own —sometimes their own relations. They got those investigations and valuations made as they wanted. They had a particular objective in getting those valuations in order to promote their business. They wanted to defeat smaller companies and sometimes showed fictitious surpluses and false bonuses. Other small companies which had no permanent actuaries of their own had to get it done by other unattached actuaries and therefore the valuation that had been made by different persons and at different periods—some of them interested in those companies—cannot be taken as the basis of computation for compensation. I submitted at that time and I repeat that request of mine that it would be fair and equitable if one particular date is fixed and the whole valuation is undertaken on that date for all companies on a uniform basis. It is not safe to rely on those various valuations that have been made by different companies by different actuaries at different periods and even with different objectives. That would not be a safe basis for reliance.

Then I have to point out—and perhaps I may be able to prove as well—that even the Controller cannot be absolved of the charge of falsification of these valuations so far as a few companies are concerned. I am now referring to the case of displaced insurance companies. I might take for illustration two of them.

The Lakshmi Insurance Company got valuation performed on the 31st of December, 1952 and declared a surplus of about Rs. 16 lakhs. As a result of this the Company declared a bonus of Rs. 8 per thousand on whole life policies and Rs. 6 per thousand on endowment policies so far as old policies are concerned. On new policies this company declared Rs. 9 on whole life and Rs. 11 on endowment. Their main object at that time was to attract greater business. But this was a fictitious valuation, because this company had left property worth Rs. 30 lakhs in Pakistan, in Lahore and that was given credit to and was accounted in the assets. If this had been left out, then there would have been a deficit of Rs. 14 lakhs. I put it to the hon. Minister: can this valuation be accepted? Can that property left in Lahore be counted as assets and then declaration of surplus and declaration of bonus be accepted as safe basis on which compensation is to be counted. This is not all.

The Sunlight, another company, declared a deficit of Rs. 2,39,000 in its valuation of 31st December, 1951. It is very interesting to note the remarks appearing at page 121 of the Indian Insurance Year Book for 1952: Sunlight of India: the result of valuation the deficit is shown as Rs. 2,39,000. A note appearing below says that it is covered by appreciation in value allowed in respect of its building in Lahore. Not only did it have an asset and the value of the property in Lahore was counted at whatever it was valued by their own actuaries, but appreciation was allowed for the reason that the property had risen in value. Therefore that deficit was covered and the company was allowed to declare surplus in 1952. It is very interesting to note that while these two companies were allowed to have the value of the property that they had left in Lahore as their assets and even appreciation of the value was permitted in order to cover up those deficits and permission was given by the Controller that these companies might declare a surplus and even bonus, the smaller companies were told by the same Controller that unless the whole amount of the value of the property left in Lahore is written off no declaration of bonus or surplus

can be allowed. I am reading from that correspondence, and if required, I will be placing them on the table of the House. It was represented to the Controller—

> "Regarding the declaration of bonus we have to submit that we are entitled to the same concession as is allowed to the other refugee insurers such as Sunlight of India Insurance Co. Ltd., Lakshmi Insurance Co. Ltd., etc. For instance, the Sunlight has shown a surplus of Rs. 22,282 in its valuation as on 31-12-1952 which means that their property in Pakistan is taken at par and even at a premium. If this property was taken out there would have been a deficit. Again, in the case of the Lakshmi Insurance Company, Ltd., the surplus disclosed at 31-12-1952 is Rs. 16,36,722 whereas the land and house property in Pakistan is Rs. 30,00,608. If this amount was taken out from the valuation, there would have been a deficit of about Rs. 14 lakhs instead of a surplus. Both the companies are allowed to declare a bonus."

This company, this insurer, had already written off 50 per cent. of its assets in Lahore. It might be interesting to note here that the property of this company and of those who have been given credit for those assets, and even allowed appreciation in the property, was situated in the same locality, in the same town and at the same place. When this was represented to the Controller, the reply given was that "we are not satisfied that there is any case for allowing your company to distribute the surplus by way of reversionary bonus". This insurer has already written off 50 per cent. of the assets and he promised to write off the other 50 per cent. also in five years, but that was not allowed. The Controller was of the opinion that the whole amount was to be written off. This was the view of the Controller. This insurer made out a case that there was justification for some surplus and for bonus to be declared so that this company might also remain in the field, but permission was not given to him, most probably on the ground that cent per cent. assets in Pakistan must be written off before any bonus can be declared, whereas in the case of the two companies that I have already quoted, not only the assets were counted but even appreciation granted. Would this be the valuation which will form a uniform basis for compensation that is to be given, and would Parliament rely on such whims and idiosyncrasies, if I may use that word also, of the Controller if he has accepted such valuations and made such discriminatory treatment to different companies at different times? I might also add that subsequently—this was in the year 1954—some property had been exchanged by one of these companies, and in order to make up for the deficiency, that is, the property that they have got here may be to the tune of Rs. 6.00,000 or Rs. 7,00,000, in lieu of Rs. 30,00,000 that they left there, they have now given returns over this thing. It has nothing to do so far as that statement goes and that stands unchallenged, and it is printed in the Indian Insurance Year Book that that appreciation was given. Though its value was about Rs. 6,00,000, it has been given out that it is valued at Rs. 30,00,000 in order to cover up the fictitious valuations that have been made. If the answer comes that they have now given that property and, therefore, that anticipated valuation was justified, though there was no ground altogether, then it can be seen that this property—today or on the day when it was exchanged, it must have some value—cannot be even one-fifth of the value that was granted to it by the Controller himself. My request is that so far as these companies are concerned, and particularly, the displaced companies, as they have suffered for no fault of theirs, the policyholders and shareholders should not be made to suffer on that account, because the Corporation shall have the authority to vary the terms also. I request that a fresh valuation may be made and some concession shown to these displaced companies on a uniform basis so that no discrimination remains and all rancour is taken away. These are the two points that I want to bring to the notice of the House.

Shri N. C. Chatterjee: Although I agree that the Select Committee has made some improvements, I am still dissatisfied on four points, and I hope the hon. Minister and the House will take note of these points.

The first point is that I am still opposed to the setting up of one monolithic and monopolistic corporation which eliminates all competition. The second point on which I am perturbed is that

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there is inadequate protection of policyholders' interests. The third point is that I am still hoping that the accountability of public enterprises and the proper position of the Auditor-General will be accepted by the hon. Minister. I do not agree with him that his argument is quite sound and that our suggestion is not reasonable. Fourthly, I am not satisfied with the inadequate compensation given to shareholders and also to some field-workers and employees, particularly, the special agents, whose interests are being sacrificed. I am sorry to say that especially 5,000 special agents are being given compensation which is almost illusory.

On the first point, namely, the setting up of one corporation, I agree with my hon. friend, Shri Matthen. I wish my hon. colleagues will read his note in which he says "But the set-up proposed, I am afraid, will retard the progress of the industry and is likely to make it static." I agree with him there. He has taken some pains to point out that even where nationalisation of insurance has been tried in other countries, no one has set up one monolithic corporation, weeding out all kinds of competition. He has said that only in Costa Rica this has been done, but India should not emulate the example of a small country like Costa Rica, which has a population of only 800,000. I am, therefore, proposing that there should be at least six or seven autonomous corporations set up so that a certain amount of flexibility and competition may be introduced; otherwise, it will be rigid and static and it will not do any good at all to the policyholders. We pass a big statute and widely proclaim that we are embarking on a socialistic pattern of society, we are having nationalisation, etc., but we will not make any progress at all, and on the other hand, it may lead to.....

Mr. Speaker: Would you regionalise them?

Shri N. C. Chatterjee: That is one way, but I would like that even in the same region a number of corporations should function.

Shri Matthen (Thiruvellah): Otherwise, no competition.

Mr. Speaker: They will be State enterprises?

Shri N. C. Chatterjee: Let them be State enterprises, but let these autonomous bodies function under the superintendence of the State in a particular sphere.....

Shri Matthen: With independent actuarial valuation.

Pandit Thakur Das Bhargava: Premium and other conditions will be the same for all; they cannot be different.

Shri N. C. Chatterjee: They may be the same or may not be, but that is a small point. When this question came up before the British Parliament, they consulted some of the greatest experts and, their note I am reading:

> "These considerations lead us to believe that nationalisation would convert a thriving organisation, which is the greatest single factor for national thrift among the masses in the country into a bureaucratic institution bereft of the stimulating effect of competition among companies and agents alike."

I am submitting with great respect that if you put up one monolithic corporation to cater to the needs of about 35 crores of human beings in a country like India and you do not allow any competition anywhere, then it may degenerate into a bureaucratic institution. Then they are saying:

> "This institution would immediately deteriorate and diminish, becoming first unprofitable to the policyholders and later even a burden on the tax-payer."

Under this Bill we have given a guarantee to the people. As a matter of fact, we are pledging our national credit, we are pledging our Consolidated Fund. There is a good deal in what Shri Asoka Mehta has said. Immediately you touch the Consolidated Fund, the Auditor-General and Comptroller should come in. Apart from that, what I am pointing out is this. You have got to seriously consider whether the establishment of one singie corporation for the whole country would be really suitable for the expansion of insurance business. You want to go to the masses, you want to ruralise.....

Mr. Speaker: Evidently, the hon. Member suggests that, as in the Railways, there should be regional bodies,

each with an amount of discretion and independent judgment, and they need not conform to the same pattern, except in broad aspects. All the six or seven zones should exercise jurisdiction over the whole of India. Otherwise, it will be a monolithic body for that State, which will be worse.

Shri Matthen: They must be able to work in other places.

The Minister of Revenue and Civil Expenditure (Shri M. C. Shah): That is what is provided in the Bill. There are five more or less autonomous zones and there is a central Corporation.

Shri Matthen: With due respect to the Minister, I say it is certainly not so.

Shri N. C. Chatterjee: I am afraid the hon. Minister has not read his own Bill properly.

Shri M. C. Shah: I have read it properly and I have discussed it.

Shri N. C. Chatterjee: The insurance business is a peculiar kind of business. It is a highly complex business and the insurance cover has got to be adapted to different types of risks. You have got to cater to the individual needs of the potential policyholders. The business depends upon providing the right type of cover for different kinds of risks as well as bringing within the scope of insurance a wide variety of risks which were beyond the pale of ordinary insurance. For both these purposes, a flexible organisation is needed. A good deal of initiative is necessary. In every country where there is talk of nationalisation, one of the main arguments advanced against nationalisation was that such an organisation would not be available when the State replaces a large number of competing firms or Companies. Therefore, I am submitting that the establishment of one single Corporation catering to the whole population of India would impair flexibility; it will also impair competitive efficiency. Therefore, I am submitting that what Shri Matthen has said is correct. You should consider whether it cannot still be done. He has pointed out with his business background, but at the same time without any vested interest in the industry whatsoever—that is a very pertinent observation—certain defects. He says: "I am viewing the whole nationalisation with the object of making it a greater success than achieved by the private sector." There is no use simply blaming the private sector that it has defaulted in many respects. What is the guarantee that you will be up to the mark or that you will not be imposing an additional burden on the poor taxpayer? You will have complete control over the national revenues. Whenever there is any shortfall or deficiency or loss, you can draw upon the national exchequer and make it up. That is the greater danger. Therefore, I strongly recommend the acceptance of his suggestion to revise this idea of one monolithic Corporation for the whole of India.

This Bill has not protected the interests of the policyholders. No provision has been made in this Bill for the election of representatives of policyholders as members of the Corporation or zonal boards. There is also no provision for maintaining the expenses of management within prescribed limits. Nor are there provisions to regulate the investment of controlled fund in the interest of policyholders. I am, therefore, suggesting that there should be some provision in this Bill for the appointment of policyholders' representatives, at least on the zonal boards, if not on the Corporation itself. There should be strict provisions made incorporating the restrictions on the investment of money on shares on an individual basis. These restrictions are specified in section 27 of the Insurance Act. According to that section, no insurer shall invest or keep invested any part of his controlled fund otherwise than in approved securities, debentures, etc. You should incorporate this healthy provision here also. If they are good for the insurance companies, why are they not good now? We are of the view that it would be in the interest of the policyholders if the Corporation is prohibited from risking its funds in other types of business so that the policyholders' money or the national exchequer will not be put into jeopardy.

I am definitely of the opinion that the Comptroller and Auditor-General should be brought into play. There should be a provision for over-riding audit by the Comptroller and Auditor-General. As you put it, he is the watch-dog on behalf of Parliament for keeping control over the public funds. He is the machinery through which the Parliament operates and exercises its control. Otherwise, parliamentary control on finances is almost illusory. We may be delivering speeches and indulging in self-complacent remarks that Parliament is sovereign and parliamentary sovereignty is effective. We know that once the Budget is printed

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there is "printed finality" and nothing can be done. The Comptroller and Auditor-General should have the right to appoint auditors. If the Government is very touchy on this point, I am perfectly willing to allow it to appoint auditors in consultation with him.

The hon. Minister has made certain observations and I am sorry that he made them and said that he was against this suggestion because, he said, that Government would not like to do this and allow nationalised ventures—I am quoting his language—'to be jeopardised by violent changes in the system'. Does the Finance Minister think that, if the Auditor-General is allowed to function, there would be such a violent change that the nationalised industry would be put into jeopardy? What is he talking? Then, why allow the accounts of the DVC, the accounts of the postal insurance scheme, to be scrutinised and audited by him? Why allow the accounts of the Industrial Finance Corporation and also the accounts of the Hindustan Aircrafts Ltd. to be audited by him? I am afraid he has a weak case and he ought not to have indulged in this kind of language and said that there would be a great danger or jeopardy if the Auditor-General came in. I do not know why he said that. The instance of England was given. I would beg to point out that his argument was—entirely fallacious. I say so with great respect to him. Look at U.K. What is the good of continually saying so? Do you follow whatever is done in England? Are Budget figures there sold in the market before it is presented to the Parliament? Would there not be a Cabinet crisis? Would not the Finance Minister quit the office if anything so disgraceful happens? Does the Cabinet there sit quiet for days until the Parliament forces it to make some kind of an explanation?

Mr. Speaker: Let us see the constitutional position. Can the Government or an Act of Parliament say that the Auditor-General need not audit the expenditure out of the Consolidated Fund? Can we say that the expenditure need not be audited by the Auditor-General but by some other person?

Shri N. C. Chatterjee: I do not think so. Article 148 of our Constitution says :

> "There shall be a Comptroller and Auditor-General of India who shall be appointed by the President by warrant under his hand and seal and shall only be removed from office in like manner and on the like grounds as a Judge of the Supreme Court."

That is, he cannot be removed except by some kind of impeachment. We have put in a constitutional safeguard. Article 149 says :

> "The Comptroller and Auditor-General shall perform such duties and exercise such powers in relation to the accounts of the Union and of the States and of any other authority or body as may be prescribed by or under any law made by Parliament and, until provision in that behalf is so made, shall perform such duties and exercise such powers in relation to the accounts of the Union and of the States as were conferred on or exercisable by the Auditor-General of India immediately before the commencement of this Constitution in relation to the accounts of the Dominion of India and of the Provinces respectively."

So far as I know, the Comptroller and Auditor-General was exercising powers of audit over all moneys spent out of the Consolidated Fund. In England also, Sir, the point is made that the Comptroller and Auditor-General stands at the centre of a system of parliamentary control over appropriation of national moneys. Therefore, the spirit of the Constitution—although I won't put it so high that it is clearly repugnant to any particular provision of the Constitution; if so, I would have immediately raised a point of order—is that, if you are taking any money out of the Consolidated Fund, then the Auditor-General's function comes into play. In the event of any shortfall or deficiency in the administration of the Corporation, it has got to be made good out of the national Exchequer, that is, out of the Consolidated Fund and, therefore, the Auditor-General's function is there.

Mr. Speaker: Is it open to Parliament to divide all the functions of the Government and say that transport shall be managed by a corporation, shipping shall be managed by a corporation, industry shall be managed by a corporation, commerce shall be managed by a corporation and that all funds must be gathered by way of taxes by the Government and given away to this corporation with nobody to ask about it?

Shri N. C. Chatterjee: No. In England that is the main difference, if I may humbly point out. The Finance Minister is right in saying that the Auditor-General does not audit undertakings in England. But those undertakings float their own share capital, raise their own money in the market by debentures or issue of shares. It is not like here, where everything is paid out of the Consolidated Fund. Therefore, with great respect I am pointing out that they are not comparable. There the shortfall, if any, is not met out of the national Exchequer. The deficiency has got to be met by the shareholders or the policyholders.

Mr. Speaker: As in the case of the Public Service Commission, where the Government can say that so far as a particular matter is concerned the Public Service Commission may not have jurisdiction, is there any provision likewise regarding the Auditor-General whereby the President can say: "No, these shall be done only by some other auditors and not by the Auditor-General". I think there is no such provision.

Shri N. C. Chatterjee: That is all right. What I am pointing out is this. In the Companies Act, which we passed the other day, Act 1 of 1956, there is one section 619. You remember, Sir, we have now got a special chapter on Government companies. Government companies are now companies where the Central Government has 51 per cent. of shares. Of course, in this case it will be 100 per cent. shares owned by the Government, but whenever the Government is providing 51 per cent. of the money, it becomes a Government company. In the Companies Act we have said that the Auditor of a Government company shall be apponited or reappointed by the Central Government on the advice of the Comptroller and Auditor-General of India. Therefore, what we have said is that the Comptroller and Auditor-General shall have the determining voice. Here we have left it to the Central Government. Then, if you look at sub-clause (2) of section 619 of the Companies Act, it says:

> "The Comptroller and Auditor-General of India shall have power—
>
> (a) to direct the manner in which the company's accounts shall be audited by the auditor appointed in pursuance of sections 223, 224 and 225 and to give such auditor instructions in regard to any matter relating to the performance of his functions as such;"

Then you have sub-clause (b) which says:

> "(b) to conduct a supplementary or test audit of the company's accounts by such persons as he may authorise in this behalf."

Sir, if you have got the list of amendments tabled with you, I want you to look at the amendment suggested by us. I am suggesting to the hon. Minister to kindly take a compromise attitude. The amendment we have tabled is not so extreme as Shri Asoka Mehta has suggested; that is, to take away completely all power from the Government. The amendment we have tabled is exactly in accordance with the relevant section in the Companies Act. May I read it to you, Sir, and may I draw the attention of the hon. Minister to amendment No. 21 which I have signed along with Shri Asoka Mehta, Shri Tulsidas, Shri Raghavachari, Dr. Lanka Sundaram, Shri M. K. Moitra, Shri R. N. S. Deo, Shri A. K. Gopalan and Shri K. K. Basu? Possibly, the Finance Minister may accept it. The amendment reads like this:

> *for* lines 28 to 36, *substitute*—
>
> "(1) The accounts of the Corporation shall be audited by Auditors duly qualified to act as auditors for companies under the law for the time being in force relating to Companies and shall be appointed or reappointed by the Central Government on the advice of the Comptroller and Auditor-General of India and shall receive such remuneration from the Corporation as the Central Government may fix.
>
> (2) The Comptroller and Auditor-General of India shall have power—
>
> (a) to direct the manner in which the company's accounts shall be audited by the auditor appointed in pursuance of sub-section (1) and to give such auditor instructions in regard to any matter relating to the performance of his functions as such; and
>
> (b) to conduct a supplementary or test audit of the company's accounts by such person or persons as he may authorise in this behalf;

[Shri N. C. Chatterjee]

and for the purposes of such audit, to require information or additional information to be furnished to any person or persons so authorised, on such matters, by such person or persons, and in such form, as the Comptroller and Auditor-General, may, by general or special order direct.

(3) The auditor aforesaid shall submit a copy of his audit report to the Comptroller and Auditor-General of India who shall have the right to comment upon, or supplement, the audit report in such manner as he may think fit.

(4) Every auditor in the performance of his duties shall have at all reasonable times access to the books, accounts and other documents of the Corporation."

What the Bill says is that the Auditor-General has got nothing to do. It completely eliminates him. What Shri Asoka Mehta has suggested is, give power to him but do not allow the Government to come into it at all. If the hon. Minister is pleased to accept this amendment, it will be an effective compromise. What I am suggesting is a feasible, workable *via media*. It allows the Government to appoint auditors, but, at the same time, in consultation with the Auditor-General and the Auditor-General gets two powers.....

Mr. Speaker: Is it not the policy of the Government to separate accounts from audit?

Shri N. C. Chatterjee: I do not know exactly what they are going to do. But as the Bill now stands, the Auditor-General is completely eliminated. What I am saying is, let the auditors be appointed by the Government, but let them do so under the direction of the Auditor-General. Secondly, let the Auditor-General have the power to have test audit or supplementary audit. I should like you to know, Sir, that in these companies—big or small—they have got auditors in each case. The hon. Finance Minister pointed out in his speech that every company got clean auditors' certificate. These auditors' certificates are given on the 31st March or on the 1st April showing that they are all solvent companies and in a few days or in a week we find in Calcutta—may be in Bombay also the same thing happens—that some companies have closed their doors. Therefore, it is no good simply having auditors.

Mr. Speaker: Who audits the accounts of the Industrial Finance Corporation?

Shri K. K. Basu: The Auditor-General.

Mr. Speaker: Who was doing it before the Act was amended?

Shri K. K. Basu: Private auditors were doing it. Then an Enquiry Committee was set up and the Act had to be amended.

Shri N. C. Chatterjee: There were lot of complaints and criticism on the system of auditing also.

Mr. Speaker: It was the Sucheta Kripalani Committee.....

Shri N. C. Chatterjee: That Committee recommended that the Act should be amended and the Auditor-General should be allowed to function. That has to some extent rehabilitated the Corporation.

What I am pointing out is, the hon. Finance Minister was continually saying that the private sector had misbehaved, there had been lot of unsatisfactory things or malpractices going on and such things were only possible because of the auditors; otherwise, if the auditors were perfect and auditing properly, these things would have come to light. The only thing we are suggesting in this amendment No. 21, which has been tabled by about a dozen Members, is that the auditors should be appointed in consultation with the Auditor General. We are suggesting a feasible, workable *via media* and I am appealing to the hon. Minister to accept and that will be quite good. Let there be some ceiling fixed as on the investment of the funds in Government securities. Otherwise, if you do not fix any ceiling or proportion and invest all the money in Government securities, you will be completely ruining the interests of the policyholders. The premium will go up and you will never be able to keep it at a lower figure. It can only be secured provided your expense ratio is lower and your interest rate is higher. For this, some portion of the life funds must be invested in more remunerative securities. Our private sector has got to operate and therefore you will have to allow a portion of the insurance funds to be utilised for the purpose of improving and developing the private sector.

I am supportiing a suggestion made that this 5 per cent. which is the basis of compensation for shareholders is inadequate. I am strongly supporting Mr. Tulsidas Kilachand's point that the Select Committee has provided that in the case of companies that had appropriated for the benefit of the shareholders more than 5 per cent. of the valuation surplus, only 5 per cent. should be taken into account for the purpose of calculating compensation. This, in my humble opinion, is thoroughly unfair, because a great majority of the companies had been permitting 7½ per cent. as laid down in the Insurance Act. Share values had got adjusted on the basis of the arrangements in regard to the division of the valuation surplus between policyholders and shareholders, and it would be unfair to those shareholders who had purchased shares on the basis of such arrangements. Therefore, the Select Committee's majority view would result in losses to thousands of poor shareholders, who come from the poor middle-class and it would be thoroughly unfair.

Lastly, the compensation which you are providing for the field workers, special agents etc. is thoroughly inadequate. You do not possibly know what is being done to these special agents. There are 5,000 special agents in India and do you know what you are providing in this Bill? In the Third Schedule, under the heading "Principles for determining compensation payable to special agents", it is said :

> "The compensation payable to a special agent shall consist of one-eighth of his annual average earnings during the period beginning on the 1st day of January, 1952, and ending on the 31st day of December, 1955."

There are people who have been doing very good work as special agents. I have just read one case and I find that a man belonging to the Oriental Insurance Company working as special agent in Delhi is entitled to only Rs. 375 as compensation. He has been doing business of Rs. 5 lakhs every year during the last five years and he is given Rs. 375. Is it not absurd compensation? He has given the company Rs. 25 lakhs of business during the last five years. It is much better to say, "I will not give you anything" rather than give this absurd compensation. Compensation, as Justice Shastri pointed out, must be something which compensates, giving some kind of *quid pro quo* for the loss sustained. You are telling this man "Although you have done splendid work for so many years, you will not be appointed any more, because we are abolishing special agents". I can understand chief agents being completely liquidated; but, why are you liquidating the special agents also? You may leave the question of special agents to the Corporation.

Shri M. C. Shah : He is there only for one year under the law.

Shri N. C. Chatterjee : I am only pointing out this thing. Let the hon. Minister give the Corporation and the wonderful Board in whose hands is assigning the destiny of the whole of India in this sector, a chance to decide this question. I am suggesting that at least you may have it till the end of December, 1956 or something like that.

There are other points which I will deal with later.

Shri Matthen : I am very grateful to the Select Committee and to the hon. Minister for having salvaged foreign insurance business, which is a great potential. In these days when all countries in Asia and Africa are making earnest and deliberate attempts to improve their economy, the scope of the insurance business is something very great. I wonder whether hon. Members have really understood what this salvage means. During the last four years, our insurance companies have been doing steadily increasing business to the extent of more than Rs. 75 crores in East Africa, Malaya and places like that. Apart from the British and Canadian companies, the only country that has companies working in these places is India. It is a tremendous potential, a great invisible export for which we do not pay. I would like to express my appreciation to the hon. Minister and the Select Committee for this great liberal step. They have allowed the present companies to continue. Not only that; they have ever permitted new companies to be formed to do life business in foreign countries.

One reason for which I have risen to speak today is to stress the dissenting note that I gave to the Select Committee report. Unfortunately, the hon. Finance Minister did not care to give any explanation or make any remark about that. But, I am very grateful to my

[Shri Matthen]

friend, Shri Chatterjee, for having stressed the importance of my amendment and for having appreciated the necessity of maintaining a spirit of competition, lest the industry might get static. I have been advocating nationalisation from the very beginning and in doing so, my main object was not so much to find funds for the Second Five Year Plan as to take away the companies from the unscrupulous management. I have held from the very beginning that a part of the private sector must be maintained. I am not talking on behalf of the private sector, but I am particular that the spirit of competition must be maintained, without which no industry will thrive. Not only in the matter of life insurance, but everywhere where the public sector comes in, I maintain that it is in the interests of the public itself that a small private sector is also maintained, whether it be in transport, banking, life insurance or anything. But, I have not the least objection to having greater financial control over the management of those companies.

I am told that during the last four or five years, the life insurance business has increased from Rs. 550 crores to Rs. 1,000 crores and odd. It is only recently that the great stride has taken place. The hon. Finance Minister is expecting, and I think rightly, that he will be able to build up the business to about Rs. 8,000 crores in the course of the next five or six years. I wish him all success. I am fairly certain that he is not going to do it. We have the experience of the nationalised industries. Nationalised industries will not thrive adequately if there is no competition. Take the postal savings bank. When private banks are getting lots of savings, a man who wants to open an account here has to go and wait. I am afraid a time may come when a man who wants to make a proposal will have to tip the bearer in the office to get his policy accepted. I hope it will be admitted that 90 per cent. of the people who have insured their lives have done that on account of the worry, and persuasion brought upon them by the insurance agents. They not only go themselves, their wives and children also go. To get rid of this worry, you say, all right, insure for Rs. 5,000. That has been the experience of most of us. It may be said that the same can exist now also. I am afraid, no, because there is only one corporation. Security is the same, premium in the same. What is there for the field agent to persuade one to take out a policy with one as against the other. My opinion is that the success of the life insurance business is dependent mostly on the field force.

[MR. DEPUTY-SPEAKER *in the Chair*]

My fear is, because there is no scope for competition, several of the workers will quit the field. Their remuneration will not be adequate.

My proposal is this. Have three or four or five companies in the private sector and form one Insurance Corporation. Have greater financial control over the four or five companies. For example, say that all investment must be made under the direction of the Investment Board that you are going to create. After all, they cannot do any more with that. But, the spirit of competition must be there. I am very particular that a spirit of competition must be maintained without which any industry, whether it is this or that, is likely to go static. This is a very important matter. I do not know whether I have succeeded in bringing home my idea to the hon. Members. I did not succeed in bringing it home to the Finance Minister. But, I can tell this much. If that is not possible, let a corporation be formed in such a way that, for example, you retain about four or five leading companies. Today there are the Oriental, New India, Hindustan, United India, etc., companies. You buy all the shares; let the Government own all the shares. Let all the rest 150 or 180 companies be formed into one corporation. Apparently, these are different companies. They have a constitution. They have an organisation. You are taking over 200 companies. An organisation has to be created. I do not know how many million policyholders are there. Servicing is a tremendous job and you have to create an organisation. If the Oriental is now owned by the Government, an organisation is there. The New India organisation is there; the secretary is there. After all, all of them belong to you. It makes no difference. There is goodwill for the names. There is goodwill for the human material they have got. Besides the Corporation, have four or five companies. I am not particular about the number. These four or five companies must be continued though all their shares are owned by the Government. There will be competition. Each company can declare a separate

bonus, if their actuarial valuation warrants that. They can reduce their premium if their actuaries support it. Anyhow, this spirit of competition should be there.

Failing this, my suggestion is, make four, five or six corporations with power to work all over India. There is no territorial or regional corporation, but with full power to work in any part of India, and if the actuarial valuation warrants, with power to give a separate bonus. That again creates competition. After all, all these are Government Corporations. If, on the contrary, it is a southern or western regional corporation, it will be very difficult to work and it will make matters worse. It will not benefit the average policyholder in the country. Therefore, I submit, with all the influence that I can command, even now, it is not too late for this House to agree to four or five autonomous corporations, all owned by the Government instead of one corporation.

Shri B. S. Murthy (Eluru): Will it not raise the ratio of expenses and also lead to lack of uniformity?

Shri Matthen: I am coming to that. The ratio of expenses will be lessened. I would rather repeat what Shri Shroff said that I risk my reputation and say that the cost will be more if rural insurance is attempted. I risk my reputation and say that the cost will be more if there is one corporation instead of four. There is no incentive to reduce the cost. It becomes bureaucratic set up. I do not know what is the experience of other nationalised industries. Am I to take it that Government is nervous to nationalise a thing until they get a monopoly of it? Monopoly corrupts; monopoly demoralises whether it is Government or private. The cost will definitely go up if there is one corporation. If, on the contrary, there is competition, corporation A will try to work in such a way that it would be able to show that its cost is less. That is the catching point.

It will be very difficult, I admit, to bring any amendment—I tried to bring some amendments—because the frame is such that nothing can be fitted in, unless the Finance Minister takes it into his head to do it, and revise the whole Act. In the case of banking, I brought the same argument. The other day, there was a non-official Bill to nationalise banks. It was opposed by the hon. Finance Minister. Why? Because, we have already nationalised a major part of banking by nationalising the Reserve Bank and by nationalising the Imperial Bank. We do not want all banks to be nationalised. We fear that the service will get worse and the spirit of competition will be destroyed. You do not want to do that. Why not apply the same principle to the Insurance corporation? Take 85 per cent. of the companies and nationalise them. Leave a small private sector. If that is not possible, have four or five corporations with power to work in any part of India. The estimate of the hon. Minister is a total insurance of Rs. 8,000 crores. I do not know whether I would live to see that, but many of us who are in the House will see that it will never be realised if there is to be one corporation. Therefore, my submission is that this ought to be radically changed, this idea of one Corporation should be revised and it should be made into several autonomous corporations.

2 P.M.

I have no desire to go into the other matter, because, as I said before, I am supporting the Report of the Select Committee. Only this one point I have to raise. Do not make it a monopoly. Not only in this line. We are trying to improve and widen the public sector. It is good. But in every sector we should see that the private sector is retained.

Shri B. K. Ray (Cuttack): I welcome this Bill no doubt, but it is subject to certain variations in principle for which I shall try to make out a case. Before doing so, I will first of all trace the history that the Constitution has gone through so that we can today legislate and act like this on the floor of the House.

The Constitution began with defining the fundamental rights of the individual, one of which according to article 19(1)(g) is that every individual can pursue any occupation, trade or business according to his own free will. This sort of freedom is called in the United States law, the freedom of economy. So far as Government's power to acquire property is concerned, the principles were contained in article 31 of the Constitution to the effect that they must pay due compensation for taking private persons'

[Shri B. K. Ray]

properties for public purposes. Now, just as it happened in the American Constitution, so it happened here, that the Government after functioning found that in order to give relief to the people, in order to follow the directives contained in the Constitution, in order to bring about a socialist pattern of society, they had to have certain powers. Then came the Constitution (First Amendment) Act which brought into the Constitution clause (6) of article 19 which provides that the State can make and should not be prevented from making such a law for carrying on any trade or occupation or provision or business to the complete or partial exclusion of its citizens. Whether this clause gives the right of monopoly to the State, whether it empowers the legislature or Parliament to pass such a law is a question of some doubt. It may be according to one interpretation that particular businesses can be acquired to the complete exclusion of the citizens. In the light of this constitutional set-up, the scope and object of the present Bill are two-fold; to acquire all the business that is being carried on by the various companies in life insurance and then to pay compensation to them, with regard to which the constitutional position is that even if inadequate compensation is paid, provided it is defined in any particular Act or law, that enables the State to acquire the business, and it cannot be called into question in any court. Then came clause (6) of article 19 to which I have already referred.

Now, what was the object of these amendments to the Constitution? The object was not to deprive the citizens of their properties, not to enable the State to take away all the properties from the citizens and to deal with them, but to make the State powerful enough to take such steps if necessary in cases of emergency. My point is that according to the scope of this Bill no citizen in India can carry on any life insurance business. That is contained in clause 30 of the Bill. No doubt the legislature can make such a law, but is there any necessity for doing so? There may be good necessity for producing a socialist pattern of society, to prevent the concentration of wealth in the hands of a few and to enable the same to be distributed amongst the destitute, the disabled and the have-nots, quite so, but is there any such reason that even small businesses by individuals for the purpose of creating themselves an occupation should not be permitted? If it be permitted would it be difficult for the Government to carry on this business through the State-owned or State-controlled Corporation?

The other day in the course of the debate in the Rajya Sabha on a resolution that there should be a ceiling on income, our Prime Minister intervened and tried to assert that the socialist pattern of society that we are aiming at is not of a doctrinaire character and we are not going to achieve it by cutting down the society from its higher level but by raising society from the bottom. This is just like what Vasco da Gama did after he discovered the sea route to India when he was called to a banquet by the King. At the table, his compatriots decried him and said: "This is just commonsense to go there and reach. What has he done?" He just drew two lines, one bigger and one smaller on the table and asked his friends to make the two lines equal without cutting anything. The gentlemen got puzzled. Then Vasco da Gama said: "This is the only thing I did. What I did is commonsense, and here is commonsense". He extended the smaller line till it became equal to the bigger line. So, that is the method which we ought to adopt.

Therefore, while welcoming the Bill, I am making two suggestions. So far as the monopoly is concerned, it must be dropped. I am considering this Bill not from the aspect of what it provides, but from the aspect of its serving as a precedent, of its setting up a convention. Once you allow the State to have a monopoly in businesses, it may go on from one to the other. Let us have a picture before us carrying this logic to its ultimate conclusion. What will happen? The Government may take all the lands and parcel them out into small ones to the persons who will actually cultivate them. Government may take over all the factories for machine tools etc., leaving only the blacksmiths and artisans. And Government may take over all businesses, reducing us all to servants. So, this will produce a nation of servants. But we want middleclass people who are the backbone of the society. The middle class people must be left to have their own trade, to have their own occupations, to have their own enterprises according to their wishes. Therefore, what harm is there if smaller business is allowed to go on and if people

are allowed to have smaller business notwithstanding the forming of this Corporation?

The second object is that you are going to help by this measure the creation of a socialist pattern of society, barring the concentration of wealth in the hands of a few, and encouraging distribution amongst the many. This must be expressly provided for in the Bill. Can anybody lay his finger on any provision of the Bill to show that the socialist pattern of society is being really produced? No doubt, I see that there are provisions in the Bill so far as policyholders are concerned, that they will get more bonus. About 95 per cent. is going to be distributed to them, but that is in view of their investment; and the rest is to be taken by the Central Government. But the Bill contains no direction, no limit, and no restraint as to how the Central Government should use it. Suppose the Central Government add it to their revenues and use it as expenditure in their highly luxurious administrative machinery, then does this Bill support a socialist pattern of society? There ought to be something in the Bill itself as to how Government will spend the surplus amount which comes into their hands. It must be spent on social welfare, say, in compulsory education, or unemployment benefit fund and something of that kind.

So, subject to these two principles, I support the Bill. So far as the monopoly is concerned, it is wrong. It is all quite simple to say that monopoly can be adopted, but there has to be some limit. It is the responsibility of this House, though the will of the people has given power to the legislature to make the State completely the owner of all business, all trades and all properties, and that too, not even with adequate compensation. But who is going to put the reasonable restraints on Government? Of course, the weakness of Government has been removed. So far as that goes, it was quite right, and it was quite good on the part of this House to have amended the Constitution. Now that the power is in this House, this House has to restrain Government in exercising those powers. The limits that I have set are reasonable limits within which this law has to apply.

Therefore, I suggest that the monopoly clause should be deleted. So far as the distribution of the surplus is concerned, there should be a clear provision in the Bill that the distribution should be made use of for those who are worthy. There are lots of beggars going about in the streets; we cannot have alms-houses, and we cannot successfully implement it. Again, lots of people are unemployed, and we cannot give them unemployment benefit. So, I would suggest that at least for certain cases like that, the money which is surplus should be earmarked, that is, for giving benefit to such classes of persons.

With these words, I support the Bill.

Shri Bansal (Jhajjar—Rewari) : At the outset, I would like to pay a compliment to the chairman of the Select Committee who has done the work with such calm, patience and diligence, that he has earned the gratitude of every one of us. I must also compliment the various Members of the Select Committee who tried their best to understand the point of view of one another on this very controversial matter, and came more or less to agreed conclusions, excepting of course on a few issues. Whether in principle I agree to nationalisation of insurance or not, now that it is a *fait accompli* I think the Bill in its present form was the best possible compromise, excepting of course for one or two clauses on which I shall have something to say.

Although the Select Committee did not make many fundamental changes in the Bill, they have amended it to improve it to a great extent. The main constituents in insurance business are the policyholders, the employees, and the shareholders. The Select Committee have improved the provisions in respect of all these three categories of persons who are interested in insurance business. One very wholesome change that the Select Committee have made is that they have now assured the policyholders that they will get their policies in cash. By the new amended clause 37, policyholders have been assured that after the maturity of their policies, they will get the amount back in cash.

Shri A. M. Thomas (Ernakulam) : Was there any doubt?

Shri Bansal : Yes. There was a great deal of doubt in the minds of the public. I can assure my hon. friend and a number of people had told me that unless this provision of cash payment were specifically mentioned it may be that after twenty years or fifteen years, Government may say that they will return the

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money in bonds. So, I think it is a very wholesome improvement that has been made. Another thing that has already been done is the rationalisation of the scales of premium. That has not been done by the Select Committee, but I am glad that Government have already taken some steps in that direction.

Then, there was this question of reduction of the amounts payable to the policyholders of those companies who were not doing well or who were not likely to prove as having done very well. The clause provided that the corporation would be empowered to reduce the payment in respect of such policyholders. The Select Committee went into this question in great detail, and then ultimately came to the conclusion that the Finance Minister should be pleased to give an assurance on the floor of the House that this reduction will be done after giving due consideration to the interests of policyholders, and I trust that the Finance Minister will give this assurance to us.

Then, there was the question whether the corporation should function on business principles or any other principles. The Select Committee have put in a specific clause that the corporation will function on business lines. I welcome that change also.

Shri S. S. More (Sholapur): What does it mean? Does it mean that the bureaucratic character will change?

Shri Bansal: That means that business principles will be applied as far as possible in the working of the corporation. This is a sort of directive to the new corporation that in deciding upon any issues, they will keep the business principles in view.

As regards the employees, I am glad that the Select Committee have made one very important change, and that is in respect of the employees of the chief agents. Some of us felt that inasmuch as the employees of the chief agents were whole-time employees and were almost on a par with the employees of the insurance companies, they should also be given some stability and some assurance as to the continuance of their employment. I am glad that that has been done. Then, an employees' and agents' relation committee has been formed which, I am sure, will function in the way in which the interests of the employees and agents will be safeguarded.

I now come to the controversial point in regard to the shareholders. Here, the Select Committee have made two small changes, one of which is in Part A of the First Schedule, where the minimum of the percentage has been raised from 3 to 3½. As the Finance Minister has stated, this will be of some help to companies which were being more generous as far as the policyholders were concerned. I welcome that change. In fact, I myself would have liked that the percentage should have been raised to 4, but a compromise was reached, and the Select Committee decided to make it 3½ per cent.

There are some amendments to Part A of the First Schedule, by a large number of friends, and my suggestion would be that if Government are in a position to reconsider those suggestions, then the percentage should be raised from 5 to 6 per cent. in one case, and from 3½ per cent. to 4 per cent. in the other case.

I find that there is a lot of misunderstanding on this question of compensation. My hon. friend, Shri Gadgil, felt that we were paying very generously to the shareholders. I have got a calculation made and I find that those companies which will be covered by Part A of the Schedule will be getting, all told, about 41 per cent. by way of compensation. I do not think that can justifiably be called very generous. The whole difficulty here is—I think one of the hon. Members opposite, Shri N. C. Chatterjee, made a reference to it—that in the case of one company, the share value is increasing by so many times. I know the case of that company, and actually it is on account of that one company that other companies are going to suffer under the formula that has been devised. But the difficulty of Government and the Select Committee was that there could not be devised a formula which would discriminate between one company and the rest of the companies. I am in sympathy with the Government on that. But to take out the case of that company in order to point out that the compensation that is being paid is too much is not fair. I am sure if Shri N. C. Chatterjee went into the whole question in detail, forgetting the case of that one company, taking note of what other companies would be getting, he would find that the compensation that is being paid is not at all high.

Then there is a Minute of Dissent by Shri T. N. Singh and Shri Feroze Gandhi as regards the deletion of the words

'whichever is less' from paragraph 3(b) of Part B of the First Schedule. They contend that those words should not have been deleted. There seems to be some misunderstanding. In the case of those companies covered by Part A of that Schedule, if I have understood the Bill aright, there is no question of making any valuation of the assets of those companies. They will be getting compensation on the basis of bonus distributed to the shareholders. So in the case of those companies—big companies—the question of making any valuation on the basis of the market price or purchase price or sale price simply does not arise. This relates to Part B of that Schedule which deals with only such companies which have not been able to make any allocation even to policyholders. It means that this formula will apply mostly to deficit companies. I do not know what percentage of compensation will be covered by these companies, but the fact remains that this applies only to those companies —they may be large in number or small in number; I do not know, I have not ascertained the position—which were not doing well at all and which were not able to distribute even to the policyholders, what to speak of shareholders.

Then, what does the formula say? Payment of compensation to them will be only on the basis of assets minus liabilities. This is because there is no other basis to go upon. The only formula that is taken is that whatever they leave behind will be taken, whatever liability there is will have to be met out of that, and whatever remains will have to be paid to them. I know that in the large number of cases of these companies, there will be nothing left behind, and I do not think I will be far from wrong in saying that such companies will not get a pie by way of compensation. If I am wrong, the hon. Minister will correct me, but I am on fairly sure ground in saying that a large number of those companies will not get any compensation.

So this question is more a theoretical question than a practical one. But my hon. friends like to set store by even theoretical considerations, because, as they point out, it is for the first time that we are introducing this principle of paying compensation on the basis of the market value. Now, what are we doing here? We are telling these companies. 'We will pay you on your assets at the market value minus your liabilities'. What other formula could have been adopted? I do not know. But I must say that the Government were not correct in the beginning in placing there the words 'whichever is less'; otherwise, that would not even have been noticed. I would like to tell Government that whenever in future they bring forward such controversial matters before the House, they should weigh every word contained in such Bills, because later on these are converted into matters of principle on which strong stands are bound to be taken by the Members of the House.

As regards management, in which the country as a whole is interested, I am one with those of my hon. friends who say that a larger number of corporations should have been floated. In fact, I would have gone a step further and suggested that the bigger companies ought to have been allowed to remain as they are with their names, and the smaller companies ought to have been amalgamated, so that we would have in the country about half a dozen or eight corporations and they would have competed with each other in securing business and showing their performance to the community. But now that it has not been done, I would like that this Corporation functions in the manner that we all expect it to function, because, as the Finance Minister has said, on this will depend a lot of the developmental progress of our country, since he is expecting that by means of this Corporation instead of the business which is running at about Rs. 1,000 crores, he will be able to achieve the figure of Rs. 8,000 or 9,000 crores in about ten years. I am not very sure in my mind how that is going to happen, judging from the way in which the Imperial Bank after nationalisation has been functioning; we were promised all sorts of things, so many branches will be started and so on, but I do not think those promises have been fulfilled. But we must all hope and pray that whatever the Finance Minister has in view will somehow come about.

I am glad that the Select Committee has gone into the question of the formation of an Investment Committee which will take care of the investment portfolio of this Corporation. I hope that the advice given by that Investment Committee will be taken full account of by the Corporation.

Before I go to one or two aspects of investment, I would just refer to the question of accountability. It has naturally created a lot of heat in the House.

[Shri Bansal]

I am in full sympathy with those Members who think that the accountability of these corporations to this Parliament should not be hampered by any means. Papers have been circulated and discussions have already taken place on this. Now that both sides are almost equally matched, this question is bound to come up again and again, and I doubt if at this moment in such a hurry we are going to come to any amicable solution. My suggestion, therefore, is for the appointment of a Committee of the House to go into this whole question as to what should be the procedure for maintaining or keeping intact the accountability of these corporations to this Parliament. Let that Committee be presided over by the Speaker; let the Finance Minister and some other Members of the House be members of the Committee. Let them thrash out all the pros and cons and arrive at the best solution, so that these corporations and companies which are bound to come into being in greater number in future are managed and run on sound business principles without undue intereference from any quarter and also the accountability of these corporations to this Parliament is kept intact. I think the whole question should be considered by such a Committee of the House so that there will be an end to this controversy once for all.

Now, I come to one small point regarding investment. I understand that the Custodians are investing the moneys, for which purpose they have kept on their approved list of securities only foreign companies in our country. I understand seven or eight companies have been placed on the approved list and they are all foreign companies. The Finance Minister will ask me as to what is the definition of a 'foreign company'. In my opinion, any company which has more than 49 per cent. capital foreign should be considered a foreign company; any company in which the majority directorate is foreign should be a foreign company; and company in which more than 50 per cent. of the effective control is in foreign hands is a foreign company. I do not understand how these Custodians or Controllers—whatever you call them —have been able to find out that only foreign companies can be placed on the approved list and not a single Indian company. If my information is right, I would like a clarification from the Finance Minister because, it gives a peculiar slant to our policy of nationalisation as well as to the policy that is going to be followed in assisting Indian or foreign enterprise.

The Finance Minister stated in the House that after the Custodians had taken charge, the business was increasing. I am very glad that the business was increasing; but, my own information is that it has actually been decreasing. Whatever figures were given to the Finance Minister, I think, were not very reliable because the Custodians, I am told, took credit for the business done in the last months of the last year and shown it in the books of the current year. If what I am saying is true, then, I would like the Finance Minister to check it up and ask those Custodians to prove to his satisfaction that the statements which were given to him by them were really correct. Otherwise, what I fear is that the whole structure which the Finance Minister has built up of proving that the business under nationalised insurance is increasing will be taken away from under his feet. I am sure it will not be a very good thing either for the Corporation or for the Finance Minister. If my information is correct, then those people who have supplied this information to the Finance Minister have not done well by him. My own feeling is that in the current year the business is bound to come down because a lot of adjustment has to take place. If the business actually comes down and does not increase, the Finance Minister will have no explanation to put forward in view of the categorical statement which he has made that the business is actually increasing.

I understand from somebody who has written to me that these Custodians are refusing to accept sub-standard policies. As you know, if a person is overweight or under-weight, formerly, insurance companies used to accept such policies on slightly higher rates of premium and that was possible because those companies used to reinsure with certain foreign companies. Now, I understand these Custodians have been issued instructions by the Finance Ministry—or I do not know by whom—that they should not reinsure with foreign companies and they should only reinsure with Indian companies. I do not know which are the Indian companies which do this reinsurance business. If there is no reinsurance business, then, sub-standard policies are not being accepted. I

want to know from the Finance Minister what the position in regard to this matter is.

Then, I come to clause 45 where it is mentioned, with regard to composite companies, that as soon as the Act comes into force, the Corporation will take steps to transfer the assets and liabilities of these composite companies, as far as general insurance is concerned, to those companies. I would like to know whether any steps have been taken by now so that this provision will be given effect to as soon as the Act comes into force. This sort of uncertainty as to how long it will take for all these matters to be settled will do no good to anybody. I would very much like to know from the Finance Minister as to whether any steps are being taken in respect of these composite companies.

My next point is with regard to the functioning of this Corporation, the standards to be maintained and the aims which it should place before itself. Here, I cannot do better than to refer to the speech of the Finance Minister himself which he made on his motion for reference of this Bill to the Select Committee. In adverting to the criticism about the manner in which private insurance companies had been functioning, he made a series of remarks. I cannot do better than request the Finance Minister to underline those so-called misdeeds of the private insurer and get them framed and placed in all the offices of the Corporation so that they can see which are the things they should not do. That is the best possible way of reminding them that they are not to repeat what was supposed to have been done by the private insurers.

He said that there were a large number of malpractices. I hope these malpractices will not be indulged in by the Corporation or its branches. Then, he said that the insurance business was being nationalised because the expense ratio was very high. In the Bill, there is nothing to regulate the expense ratio. I know my friends are doubtful about it but I leave it to Government itself. But, whenever we find that the expense ratio is high, we will take notice of it in this House and tell Government that the expense ratio should be reduced. As this so-called high expense ratio in this country—with which I do not agree—is one of the reasons for nationalisation, I suggest that this should be another important point which should be kept always in view by the Corporation.

Another point urged against the private insurer was the high premium rates. On this also, the Superintendent of Insurance had something different to say in 1948. The Finance Minister again thought it fit to charge the insurance companies with charging high premium rates. I am sure the Corporation will reduce these rates further. The Finance Minister also mentioned post-policy services. I can tell you from my experience —I have also three policies—that before the business was handed over to the Custodians, somebody used to come to me asking me once or twice a year as to whether my policies were working, whether I was paying my premium in time etc. But, since the Custodians took over, nobody has come and I hope Government will do something to improve the post-policy service so that the policyholders obtain better services from this Corporation.

Another point which he made very prominently was that very inadequate progress has been made by the insurance companies in this country, although the total business was running at about Rs. 1,000 crores. He thought that it should be more than Rs. 8,000 crores in the coming 5 or 6 years, and, judged from that standard, the figure was very low. Here again, I would suggest that the Corporation should keep in mind this important factor and do its best to increase the business by about Rs. 1,000 crores every year. If Rs. 8,000 crores has to be reached, it will work out at this figure of one thousand per year. I am sure it will take a good lot of doing. Inasmuch as promises are being made easily, I think, it will be for the House to examine the position next year or the year after that whether these promises have been fulfilled.

About investment, I have already spoken. One final point about the limit for investment in Government securities or private companies is this. The Finance Minister said that the Corporation will be made to function in such a way that the private sector is not starved of the funds. I would like to see some positive evidence of this because from what has come to my knowledge so far, whatever investments have been made have been made only in foreign companies and if foreign companies alone mean the private sector in this country, then God help us.

I trust what all I have said will be considered by the Finance Minister and he will not only give a statement as to

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which are the companies in which investment is being made but would take the House also into confidence as to what is the policy of Government in regard to this investment.

With these remarks, I would like to suggest that if it is possible, Government may accept one or two minor amendments in regard to compensation and see that those companies which were not well-off do not suffer because uniform policy has been adopted. I would welcome it very much. I would also welcome the appointment of a high-power committee of this House to settle this question of accountability once for all.

पंडित ठाकुर दास भार्गव : जनाब डिप्टी स्पीकर साहब, अब यह मौका नहीं है कि इस बीमे के बिजिनेस को नैशनलाइज (राष्ट्रीयकरण) करने के मुताल्लिक नये सिरे से सवाल उठाया जाय, जब कि इस हाउस ने एक दफा यह डिसिजन (विनिश्चय) ले लिया है कि इस बिजिनेस को नैशनलाइज किया जाय । ताहम मैं देखता हूं कि कई मेम्बर साहबान इस सवाल को नये सिरे से उठा रहे हैं । चुनाचे एक मेम्बर साहब ने दफा १९ का हवाला दिया और यह फरमाया कि वह बहुत डाउटफुल (संदिग्ध) हैं कि आया गवर्नमेंट को इस बिजिनेस को मानोपली (एकाधिपत्य) में तब्दील करने का अख्तियार है या नहीं । यह सवाल दूसरा है कि एक कार्पोरेशन बनाई जाय या कई कार्पोरेशन बनाई जायें, लेकिन यह कहना कि गवर्नमेंट को इस मामले में अख्तियार नहीं है, मेरी नाकिस राय में दुरुस्त नहीं है । जहां तक कांस्टीट्यूशन (संविधान) की दफा १९(६) का सवाल है, उसमें गवर्नमेंट को खास तौर पर यह अख्तियारात (अधिकार) दिये गये हैं कि गवर्नमेंट किसी भी ट्रेड (व्यवसाय) या आकुपेशन (उपजीविका) को—जिसको वह मुनासिब समझे अपने हाथ में ले सकती है और सबको एक्सक्लूड (अपवर्जन) करके अपने लिये मानोपली क्रीएट (एकाधिपत्य उत्पन्न) कर सकती है । इसलिए मैं समझता हूं कि यह सवाल आज खारिज आज बहस (वाद विवाद का विषय) नहीं है ।

इसके बाद मैं निहायत अदब से अर्ज करना चाहता हूं कि इस बिल (विधेयक) में कई एक मामले ऐसे हैं आ गये हैं, जो कि अभी तक बड़े कांट्रोवर्शियल (विवादास्पद) हैं । जनाबे वाला, सबसे पहले मैं आपकी तवज्जह दफा १५ की तरफ दिलाना चाहता हूं । दफा १५ को देख कर मेरे दिल में यह ख्याल पैदा होता है कि अगर सिलेक्ट कमेटी (प्रवर समिति) ने कहीं गलती की है, तो वह दफा १५ में की है । दफा १५ उन कन्ट्रेक्ट्स (संविदाओं) के मुताल्लिक है, जो कि इन कम्पनीज ने और दूसरे लोगों ने—थर्ड पार्टीज ने—आज तक किये । उन कन्ट्रेक्ट्स के साथ क्या सलूक किया जाय, यह सवाल दफा १५ में हल किया गया है । इस सिलसिले में मेरी गुजारिश यह है कि कोई भी—ख्वाह वह कम्पनी हो और ख्वाह तीसरा शख्स हो—जब किसी कन्ट्रेक्ट में दाखिल होते हैं, तो वे इस ख्याल से होते हैं कि उस कन्ट्रेक्ट से दोनों को फायदा होगा—दोनों पार्टियां यह समझती हैं कि इसमें हमारा फायदा है । जब तक कोई कन्ट्रेक्ट ऐसा न हो, जो कि किसी किस्म की गलती, अनड्यू इन्फ्लुएन्स (अनुचित प्रभाव), फ्राड (धोखा) या मिस्टेक (गलती) की वजह से रद्द कर दिया जाना चाहिये, तब तक आम तौर पर तमाम कन्ट्रेक्ट्स में एक सेक्रिडनेस (पवित्रता) होती है और सेक्रिडनेस आफ कन्ट्रेक्ट (ठेके की पवित्रता) का उसूल कनजरवेशन आफ सोसायटी (समाज के संरक्षण) के लिए निहायत जरूरी है । मैं देखता हूं कि दफा १५ में इस अहम उसूल को न सिर्फ खैरबाद कहा गया है, बल्कि पीरियड (अवधि) को दो साल से बढ़ा कर पांच साल कर दिया गया है । मैं अर्ज करना चाहता हूं कि यह बात उसूलन बिल्कुल गलत है । जो मामले उस वक्त तय किये गये थे, जो कन्ट्रेक्ट्स उस वक्त किये गये थे, जब कि किसी के ख्वाबों ख्याल में भी यह बात न थी कि गवर्नमेंट इस तरह से इस बिजिनेस को नैशनलाइज करेगी, उन मामलों को दोबारा बहस में लाना या उन कन्ट्रेक्टस में होल्ज पिक (त्रुटियां निकालना) करना मेरी नाकिस राय में जायज और दुरुस्त नहीं है । अगर किसी कम्पनी ने यह सोच कर कि गवर्नमेंट इस बिजिनेस को नैशनलाइज करने वाली है, और गवर्नमेंट इस पर काबिज हो जायेगी, कोई ऐसे कन्ट्रेक्ट्स किये हों, जिनमें किसी की बेजा (अनुचित) रियायत की गई हो, एक्सेसिव कनसिडरेशन (अत्यधिक लिहाज) दे दिया है, उनके मुताल्लिक तो यह सवाल पैदा हो सकता है, लेकिन इतने अरसे के बाद सब मामलों को खोलना मुनासिब नहीं है और ऐसा नहीं करना चाहिये । अगर हम ऐसे कन्ट्रेक्टस के मुताल्लिक रखी गई मियाद को देखें या इस सिलसिले में कम्पैरेटिव ला

(तुलनात्मक विधि) को देखें या इसके मुताल्लिक पहले प्राविजन (उपबन्ध) को देखें, तो साफ जाहिर है कि यहां पर पांच साल की मियाद रखना कतई नाजायज है । इस दफा में इसकी वजूहात यह दी गई है :—

> "and the payment, sale, disposal, acquisition, agreement or variation thereof or other transaction or transfer was not reasonably necessary for the purpose of the controlled business of the insurer or was made with an unreasonable lack of prudence on the part of the insurer....."

मैं अदब से अर्ज करूंगा कि पांच बरस के बाद यह कहना कि कोई कन्ट्रैक्ट रीजनेबली नेसेसरी (युक्तितः आवश्यक) नहीं था, सख्त नामुनासिब है । यह मुनासिब नहीं है कि पांच बरस पहले के हालात में एन्टर होकर (जाकर) यह कहा जाय कि किसी शख्स ने गलती कर दी और जजमेंट (निर्णय) की गलती कर दी । इसके मानी तो ये हैं कि किसी भी कन्ट्रैक्ट को, जिसके कान्सीक्वेंसिज (परिणाम) किसी भी पार्टी के लिए फेवरेबल (अनुकूल) नहीं हैं, रिसिंड (रद्द) किया जा सकता है । इस बात को कोई भी शख्स—कोई भी साहिबे-अक्ल—मानने के लिये तैयार नहीं होगा । इसके अलावा इसमें लिखा है कि अगर कोई कन्ट्रैक्ट अनरीजनेबल लैक आफ प्रूडेंस (व्यवहार कौशल की अयुक्तियुक्त कमी) से किया गया हो तो उस को भी देखा जा सकता है । मेरा खदशा (भय) तो यह है कि जनाबे वाला, कि इस सूरत में तो यह ट्रिब्यूनल (न्यायाधिकरण) केसिज (मुकदमों) से फ्लडिड हो जायगा (भर जायगा) जब कि न सिर्फ कम्पनी को ही अख्तियार दिया गया है बल्कि तीसरी पार्टी को भी अख्तियार दिया गया है कि वह पांच बरस पुराने कन्ट्रैक्ट को री-ओपन (फिर से खोलना) कर सकते हैं । मैं निहायत अदब से गुजारिश करना चाहता हूं कि यह प्राविजन मोस्ट अनप्रेसिडेंटिड प्राविजन (उपबन्ध बहुत ही अदृष्टपूर्व उपबन्ध) है । इन्ट्रेस्टिड पर्सन्स (हित रखने वाले व्यक्तियों) को इतने लम्बे चौड़े अख्तियारात दिया जाना किसी भी हालत में ठीक नहीं है । इसका मतलब होगा कि मुकदमात की तादाद बहुत बढ़ जायगी और नये सिरे से पुराने कन्ट्रैक्ट्स देखे जाने की वजह से लोगों को बेजा तकलीफ होगी । मेरी दरख्वास्त है कि इस हाउस को दफा १५ को इस तौर पर देखना चाहिये ।

इसके बाद मैं जनाब की तवज्जह उस सवाल की तरफ दिलाना चाहता हूं, जिस पर हमारे चन्द मेम्बर साहबान ने बहस की है और बड़े जोर-जोर से अपने इख्तिलाफ-राय का इजहार किया है । आनरेबल फाइनेंस मिनिस्टर (माननीय वित्त मंत्री) साहब की तरफ से यह वजूहात दी गई हैं कि चूंकि यह कमर्शियल अंडरटेकिंग्स (वाणिज्यिक उपक्रम) हैं, इस लिये कम्प्ट्रोलर एंड आडिटर-जनरल (नियन्त्रक तथा महालेखा परीक्षक) के जरिये आडिटिंग (लेखा परीक्षक) पर यहां उसूल का एप्लाई (लागू) नहीं करता है । यह भी कहा गया है कि इस कार्पोरेशन में हाई एग्जेक्टिव्ज (उच्च कार्यपालिका अधिकारी) होंगे, उन के हाई प्रिंसिपल्ज (उच्च आदर्श) होंगे और वे कम्प्ट्रोलर एंड आडिटर जनरल की स्क्रूटिनी (छानबीन) को बर्दाश्त नहीं करेंगे और इसके अलावा इससे काम में रुकावट होगी । मैं तस्लीम करता हूं कि इन वजूहात में किसी हद तक फोर्स (बल) है । मुमकिन है कि इस किस्म की कार्पोरेशन्स और दूसरे डिपार्टमेंट्स (विभागों) वगैरह के वर्किंग (कार्य करण) और कन्डीशन्ज (शर्तों) में कुछ फर्क होता हो । मैं इस बात की फोर्स मानने के लिये तैयार हूं, लेकिन मैं यह हरगिज मानने के लिये तैयार नहीं हूं कि जो रकम कानसालिडेटिड फंड (संचित निधि) से दी जाती है, उस का कस्टोडियन (अभिरक्षक) कम्प्ट्रोलर एंड आडिटर जनरल (नियन्त्रक तथा महालेखा परीक्षक) के अलावा कोई और शख्स हो—उसके मुताल्लिक पूरे अख्तियारात किसी और शख्स को हों । इस सिलसिले में मैं एक और नुक्ता-ए-ख्याल से भी अर्ज करना चाहता हूं । जैसा कि अभी श्री बंसल ने फरमाया हमारे आनरेबल फाइनेंस मिनिस्टर साहब का ख्याल है कि कुछ अरसे में कोशिश करके इसकी इन्वेस्टमेंट (विधियोग) एक हजार करोड़ रुपये से बढ़ कर आठ हजार करोड़ रुपये हो जायेगी और इसकी पालिसीज वगैरह बढ़ जायेगी । मैं अर्ज करना चाहता हूं कि वे किस तरह बढ़ेंगी, क्यों लोग इसमें दाखिला करायेंगे, अगर उनको इस पर पूरा एतमाद (विश्वास) न होगा । मैं अर्ज करना चाहता हूं कि अगर पब्लिक कांफिडेंस (जन विश्वास) पैदा करना चाहते हैं, अगर आप अपना बिजिनेस बढ़ाना चाहते हैं, तो यह बात आप के इन्ट्रेस्ट (हित) में है कि आप इसको ऐसी शक्ल दें कि लोग एतमाद रखें कि जो सारे हिन्दुस्तान के एकाउन्ट्स (लेखा) का वाचडाग (प्रहरी) है, जिसके जिम्मे सब पब्लिक कम्पनीज के एकाउंट्स हैं, जिसके जिम्मे उन सब कामों के एकाउंट्स हैं,

[पंडित ठाकुर दास भार्गव]

जिनका ताल्लुक गवर्नमेंट के कानसालिडेटिड फंड से है, वही इस बिजिनेस में भी आडिटिंग (लेखा परीक्षा) का जिम्मेदार होगा । पब्लिक कांफिडेंस हासिल करने के लिए दूसरी बातों को छोड़ कर यह बिल्कुल जरूरी है कि इसमें आखिरी दखल कम्प्ट्रोलर एंड आडिटर-जनरल का हो । इसके बिना देश में इसका असर निहायत खराब होगा । मैं यह मानता हूं कि फाइनेंस मिनिस्टर साहब के मोटिव्ज (प्रयोजन) दुरुस्त हैं और मैं समझता हूं कि उन्होंने जो कुछ फरमाया है, उसमें थोड़ा बहुत वजन है, हालांकि मैं उनसे पूसरी तरह इत्तिफाक नहीं करता हूं । लेकिन मैं यह जानना चाहता हूं कि अगर यह न किया गया, तो इसका कन्ट्री (देश) पर और पब्लिक कांफिडेंस पर बहुत खराब असर पड़ेगा और वह शेक हो जायगा (हिल जायगा) ।

और आपको मुश्किल हो जायेगा कि आप उतना काम सीक्योर (प्राप्त) कर सकें जितना कि आप करना चाहते हैं । जब कभी हमने इस हाउस में यह बहस जारी की कि गवर्नमेंट के कामों पर हाउस का पूरा कंट्रोल हो तो हमेशा इस तरह की तजवीजें आती रही हैं और हम उम्मीद किया करते थे कि कोई वक्त आयेगा कि स्पेसिफिक (विशिष्ट) तरीके से उन कामों पर हाउस का पूरा कंट्रोल हो जायेगा । लेकिन अगर आप आडिटर जनरल और कंट्रोलर जनरल के कंट्रोल को, जिसको कि हम काफी नहीं समझते, भी हटा लेंगे तो मेरी समझ में नहीं आता कि इस हाउस का काम पर क्या कंट्रोल रह जायेगा । यह इतने बड़े बड़े कार-परेशान हैं जिनके साथ देश का इंटरेस्ट (हित) वाबस्ता (जुड़ा हुआ) है इन पर इस हाउस का कंट्रोल रहना लाजिमी है । मैं फाइनेन्स मिनिस्टर साहब से निहायत अदब से और जोर से अर्ज करूंगा कि जहां तक इस मसले का ताल्लुक है, वे न सिर्फ हाउस को तसल्ली दें बल्कि जो अमेंडमेंट (संशोधन) हाउस के सामने है उसको कबूल फरमावें । एक कम्प्रोमाइज (समझौते का) अमेंडमेंट मौजूद है ।

अगर गवर्नमेंट खुद इस तरह की बहस शुरू कर दे कि आडिटर-जनरल और कंट्रोलर जनरल जिस नुक्ते ख्याल से छानबीन करते हैं वह उनसे मुख्तलिफ होता है कि जिससे प्राइवेट आडिटर देखते हैं, तो मुझे पता नहीं कि हम कैसे आयन्दा इन कामों पर कंट्रोल रख सकेंगे और जो आडिटर कि प्राइवेट कम्पनीज रखती हैं उनको हम कितनी वुकत की निगाह से देख सकते हैं । मैं निहायत अदब से गुजारिश करूंगा कि इस बारे मामले को देखते हुए हमको यकीन रखना चाहिये कि आडिटर जनरल और कंट्रोलर जनरल वही नुक्ते ख्याल इस्तेमाल करेंगे जो कि हालात को देखते हुए मुनासिब होगा । यह क्यों जरूरी मान लिया जाता है कि कंट्रोलर जनरल और आडिटर जनरल हर किसी को एक ही लकड़ी से हांकेंगे । अगर यह जरूरी है कि पबलिक इंटरेस्ट में अफसरान को ज्यादा डिस्क्रीशन (स्वविवेक) दिया जाय तो इसी नुक्ते ख्याल से उनके हिसावात को जांचा जायेगा । सब हालात को देखते हुये मैं अदब से गुजारिश करना चाहता हूं कि इस प्रावीजन को तबदील करना मुनासिब है ।

जहां तक इस बिल में सवाल है चीफ एजेंट्स को कम्पेन्सेशन (प्रतिकर) देने का, उसके बारे में जो प्रावीजन है उसको देखकर मेरा यह ख्याल होता है कि जो कुछ कम्पेन्सेशन हमारी सिलेक्ट कमेटी ने तजवीज किया है वह मुनासिब हो या गैर-मुनासिब पर उस प्रावीजन का एक हिस्सा ऐसा है कि जिसको तबदील कर देने की जरूरत है । आज जो शरूस चीफ एजेंट है वह इस कानून के मुताबिक अपने सोर्स आफ लाइवलीहुड (जीविका का साधन) से महरूम हो जायेगा और वह आगे चीफ एजेंट नहीं रहेगा । अब सवाल यह पैदा होता है कि उसको जो रुपया प्रीमियम्स के रिन्यूअल (किस्तों के नवकरण) पर मिलता है उसको अदा करने का क्या तरीका हो । अभी तक कायदा यह रहा है कि जैसे ही रिन्यूअल का रुपया कम्पनी के पास आता है वैसे ही उसको माहवारी उसका कमीशन का रुपया मिल जाता है और इस तरह से उसका खर्चा चलता आया है । अब वह शरूस चीफ एजेंटी से हट जायेगा और उसके पास कोई काम नहीं रह जायेगा, और जिस काम को वह तीस चालीस साल से करता आया था वह खत्म हो जायेगा । मैं यह नहीं कहता कि उसको कायम रखा जाये क्योंकि जिस तरह का यह बिजनेस है उसमें उसको किस तरह से रखा जा सकता है । लेकिन अगर उसको कोई आल्टर-नेटिव एम्पलायमेंट (वैकल्पिक रोजगार) मिल जाता तो बेहतर होता । लेकिन जो आपने उसको कम्पेन्सेशन देने का तरीका रखा है उसको वह तरीका सूट (अनुकूल) नहीं करेगा । आपने लिखा है कि सालाना एक रकम दी जायेगी, मंथली पेमेंट (मासिक भुगतान) नहीं किया जायेगा । मैं अदब से अर्ज करना चाहता

हूं कि उसको पेमेंट का जो तरीका अब तक चला आया है कोई वजह नहीं है कि उसको टैम्पर विद (बदल दिया) किया जाये । यह उसके लिए बहुत खराब चीज है कि आप उसको सालाना पेमेंट करें । अब उसको उसकी रकम एक साल बाद मिलेगी । इसका नतीजा यह होगा कि जो उसको माहवारी खर्च के लिये रुपया मिल जाता था वह नहीं मिलेगा । मैं समझता हूं कि यह मुनासिब नहीं होगा । इस वास्ते में अर्ज करूंगा कि इसको रिव्यू (पुनर्विलोकन) किया जाये । जिस तरीके से कि उनको कम्पनी से मंथली पेमेंट होता था वही तरीका कायम रखा जाये बजाय इसके कि उनको सालाना भेंट किया जाये । अगर आप उनको साल भर बाद पेमेंट करेंगे तो नतीजा यह होगा कि उनको साल भर तक इन्तजार करना होगा और उनको हर माह रुपया न मिलने से बहुत दिक्कत महसूस होगी । मैं यह नहीं कहता कि जो कुछ आप देना चाहते हैं उसको बढ़ा दीजिये । मैं सिर्फ यही चाहता हूं कि उनका पेमेंट का जो तरीका अब तक रहा है उसको कायम रखिये ।

मुझे खुशी है कि आज जनाब वाला ने भी अपनी जगह से डिस्प्लेस्ड कम्पनीज (विस्थापित समवाय) के बारे में वही बात कही है जो कि मैंने इस बिल के सिलेक्ट कमेटी में जाने से पहले कही थी । सन् १९५४ के ऐक्ट में जहां तक कम्पेन्सेशन का सवाल था हमने किसी पबलिक कम्पनी को कम्पेन्सेशन देना मंजूर नहीं किया । जिन कम्पनीज के वेरीफाइड क्लेम्स (प्रमाणित दावे) थे उनको भी हमने काट दिया और सारे पूल (समुच्चय) को इंडीवीज्युअल्स (वैयक्तिक) के पेमेंट के लिए रखा । इस वजह से वह कम्पनियां जो कि पंजाब में पार्टीशन (विभाजन) के पहले बहुत अच्छा काम करती थीं, क्रिपल (अपंग) हो गयीं । एक कम्पनी को मैं जानता हूं जिसको खोलने वाली और जिसको चलाने वाली और शुरू करने वाली हमारी वह मुकद्दस हस्तियां थीं जिनका नाम लेने से जबान पाक होती है, यानी पंडित मोतीलाल नेहरू और लाला लाजपत राय । वह कम्पनी पार्टीशन के पहले काफी प्रास्परस (समृद्ध) थी लेकिन पार्टीशन के बाद उसकी करोड़ों रुपये की जायदाद पाकिस्तान में रह गयी । अब उस कम्पनी की वह हालत नहीं रह गयी है जो कि दूसरी कम्पनियों की है । उसका जितना नुकसान हुआ उसमें से उसको कुछ भी नहीं मिला । अगर हम सन् १९५४ के ऐक्ट में पब्लिक कम्पनीज को कम्पेन्सेशन देते तो उसके वेरीफाइड क्लेम के मुताबिक उसको बड़ी रकम मिलती । अभी तक पाकिस्तान सरकार ने उसकी जायदाद को कनफिस्केट (जब्त) नहीं किया है और जब तक ऐसा नहीं होता कानून की निगाह में वहां पर कम्पनीज और इंडीवीजअल्स की वह जायदाद मौजूद है । लेकिन आज उसकी कितनी किमत है इसके बारे में कोई शख्स कुछ नहीं कह सकता लेकिन जब से ये डिस्प्लेस्ड कम्पनीज यहां आयी है । उन्होंने थोड़ा बहुत काम करना शुरू किया है और मैं इस कम्पनी को मुबारकबाद देता हूं । कि पार्टीशन के दौरान में जो शख्स मारा गया उसको जो रुपया वाजिब था वह इन कम्पनियों ने ईमानदारी के साथ अदा किया । अगर ये कम्पनियां चाहती तो यह कह सकती थीं कि हम इतना रुपया नहीं दे सकते क्योंकि हमको बहुत नुकसान हो चुका है । लेकिन उन्होंने ऐसा नहीं किया । इन्होंने कुछ रुपया राइट आफ (अपलिखित) भी किया । लेकिन जहां तक कम्पेनसेशन का सवाल है उनके वेरीफाइड क्लेम्स को बेसिस (आधार) समझा जाये । उनको उतनी जायदाद का मालिक समझा जाना चाहिये जितनी की उनके वेरीफाइड क्लेम्स के मुताबिक है । लेकन मैं देखता हूं कि इस बिल में उसका कोई जिक्र नहीं है । और उनके वास्ते कोई रियायत नहीं रखी गयी है । मैं अदब से अर्ज करूंगा कि उनके केस को फिर से रिव्यू किया जाये और अगर कोई रियायत उनके लिये हो सकती है तो उनको दी जाये ।

बाकी कम्पेन्सेशन के बारे में बंसल साहब ने जो तजवीज पेश की है म उसकी ताईद करता हूं । जिनको ३ परसेंट (प्रतिशत) से कम मिलता था उनको साढ़े ३ परसेंट देना कबूल कर लिया गया है । मैं समझता हूं कि यह रियायत जो दी गयी है यह मुनासिब है । जिनको पांच परसेंट दिया गया है उनके लिए कहा जाता है कि साढ़े ७ परसेंट दिया जाये । अगर यह नहीं किया जा सकता तो मैं अर्ज करूंगा कि उनको कम से कम सवा ६ परसेंट दिया जाये तो भी इस चीज को आम तौर पर अच्छा ही समझा जायेगा ।

मैं सिर्फ दो तीन बातों की तरफ और तवज्जह दिलाना चाहता हूं । एक बात तो यह है कि इस बिल में कहीं पर भी एक्सपेंस रेशियो (व्यय-अनुपात) का जिक्र नहीं किया गया है ।

[पंडित ठाकुर दास भार्गव]

में यह समझता हूं कि जब सरकार ने इस सारे काम को मोनोपोलाइज कर लिया है तो इसमें कोई कम्पिटीशन (प्रतियोगिता) तो रह ही नहीं जायेगा और ऐसी सूरत में यह लाजिमी ह कि पहले के मुकाबले में खर्चा कम होगा। पहले तो कम्पनियों को एक दूसरे से कम्पिटीशन करना पड़ता था इसलिये खर्चा ज्यादा हो जाता थ। इस बिल में जो एक्सपेंस रेशियो नहीं रखा गया इसकी मुझ कोई खास शिकायत नहीं है। लेकिन मैं अदब से अर्ज करूंगा कि अगर आपने इसमें एक्सपस रेशियो नहीं रखा है तो आपकी और भी ज्यादा जिम्मेवारी है कि आपका खर्चा कम हो बमुकाबले उससे जो कि अब तक होता था। हम उम्मीद करते हैं कि आयन्दा जो हिसाबात होंगे उनमें यह एक्सपेंस रेशियो कम रहेगा। अगर ऐसा हुआ तब हम समझेंगे कि आपने जो इस बिल म एक्सपेंस रेशियो नहीं रखा यह जायज ह। लेकिन अगर ऐसा नहीं हुआ तो हम कहेंग कि हमन गलती की कि एक्सपेंस रेशियो नहीं कायम किया।

3 P.M.

मुझे उम्मीद है कि हम ठीक रास्ते पर गलती कर रहे हैं और हमें इसको रोकने की कोई जरूरत नहीं है। आखिर जब इसमें गवर्नमेंट का इन्तजाम होगा और गवर्नमेंट ने इतनी भारी जिम्मेदारी अपने ऊपर ली है तो उसको ठीक तौर पर डिस्चार्ज (निर्वहन) किया जायेगा।

अभी यहां पर फौरन (विदेशी) कम्पनीज का जिक्र हुआ कि सिफ जो बाहर के काम के वास्ते कम्पनीज रक्खी गई हैं वह ऐसी हैं जिनको कि यहां की, इस देश, की कम्पनीज नहीं कहा जा सकता। इसके बारे में जो तारीफ मेरे लायक दोस्त ने दी, वह लीग्ली (वैध रूप से) जायज है या नहीं है, मैं उसमें नहीं जाना चाहता लेकिन मैं समझता हूं कि ४९ परसेंट से ज्यादा कैपिटल (पूंजी) उनका फौरेन है, या तो डाइरेक्टोरेट (निदेशालय) के अन्दर फारेनर्स (विदेशियों) की मेजारिटी (बहुमत) है या उनका कंट्रोल (नियन्त्रण) है, और ऐसी सूरत होने पर मैं यह कहने के लिए तैयार नहीं हूं कि वह मुनासिब कम्पनीज हैं जिनको कि आप अख्तियार दें कि वह अपना काम जारी रक्खें। मैं अदब से अर्ज करुंगा कि इस मामले में भी जहां तक मुमकिन हो आप इंडियन (भारतीय) कम्पनीज को फरोग (बढ़ावा) दें और उनको अख्तियार दें कि वे बाहर काम कर सकें।

आपके रूबरू एक या चन्द एक कम्पनीज के काम करने का जो सवाल है, वह बनिंग क्वश्चन (ज्वलन्त प्रश्न) है और उसके मुताल्लिक चन्द एक दोस्तों की तकरीरें सुनकर मैं यह समझा कि अगर एक से ज्यादा कारपोरेशन होती और कम्पिटीशन का एलिमेंट (तत्व) होता तो काम ज्यादा अच्छा होता लेकिन जब मैं सारी ओवरआल पिक्चर (समस्त चित्र) को देखता हूं तो मैं उनसे इसमें सहमत नहीं हूं। अभी उन दोस्तों की तरफ से यह कहा गया कि रेलवे की तरह की जोन्स (खंड) यहां भी बनाई जायें तो उसके बारे में मेरा कहना यह है कि नार्दर्न जोन (उत्तरी प्रदेश) वाला मद्रास में और मद्रास की जोन वाला नार्थ (उत्तर) में कोई कम्पिटीशन नहीं कर सकता और मैं नहीं समझ सकता कि किस तरह से रेलवे की तरह जोन्स् बनाने से कम्पिटीशन होगा। यह तो हो ही नहीं सकता कि मुख्तलिफ हिस्सों में मुख्तलिफ प्रीमियम रेट्स (बीमे की किस्त की दरें) हों और जब सब जगह पर एक सा प्रीमियम होगा तो मैं नहीं समझता कि उसमें कम्पिटीशन का कितना एलिमेंट रहेगा। मैं तो समझता हूं कि कम्पिटीशन के अलावा ज्यादा अच्छी चीज यह होगी कि आपका एडमिनिस्ट्रेशन (प्रशासन) ऐसा अच्छा और माकल हो कि उसके काम के अन्दर प्राम्पटनेस (सत्वरता) आये और उसका सारा काम ठीक ढंग पर चले और ऐसा होने पर लोग अपने आप उसकी तरफ खिंचे चलें आयेंगे। यह सबसे बड़ा काम है और सबसे बड़ी तबदीली इस देश में वाकै होने जा रही है और सच तो यह है कि आपके सारे सेकंड फाइव इयर प्लान (द्वितीय पंचवर्षीय योजना) की कामयाबी इस पबात पर मुन्नहसिर है कि आप इस कारपोरेशन के काम को किस तरीके से चलाते हैं। अगर यह कामयाब होगी तो हमारी दूसरी और चीजें भी कामयाब होंगी क्योंकि अगर इसका काम ठीक तरीके पर चला तो हमारे पास बेशुमार रूपया आयेगा और हमारे फाइनेंस मिनिस्टर साहब ने पेशनगोई कर दी है कि १ हजार करोड़ से ८ हजार करोड़ तक इसको बढ़ा देंगे और उसमें कम्पिटीशन की जरूरत नहीं है।

मैं तो समझता हूं कि खुशबू वह जो अपने आप फैलती है, वह खुशबू अच्छी है उस खुशबू के मुकाबले में जो कि फैलायी जाय। अब चूंकि मेरा समय खत्म हो चुका है इसलिए और अधिक न कह कर मैं इस बिल को सपोर्ट (समर्थन) करता हूं।

Shri Morarka (Ganganagar-Jhunjhunu): Mr. Deputy-Speaker, I support this Bill as it has come from the Select Committee and oppose the various minutes of dissent which have been appended to the report of the Select Committee. There are two main points on which the minutes of dissent have been written; one about the Auditor-General and the other on the question of compensation.

Talking first about Auditor-General, I frankly feel that once you accept the principle of establishing autonomus corporations, corporations with a certain amount of freedom and initiative and their own organisational set-up of audit etc. You cannot insist on these rigid requirements to insist that the accounts of the Corporation should be audited by the Auditor-General is, I think, just to create conditions in which the corporations cannot function freely. It amounts to putting fetters in their hands.

Sir, I am as anxious, as anybody else in this House, to ensure the accountability of this huge Corporation to this House. I am second to none in suggesting that this House should have full control over the affairs and the management of this Corporation. The question is, how to achieve it. What is the mechanism by which we can achieve that object? In other words how this House could exercise effective control over the financial policy of the Corporation? Is it suggested, that it is only through the Auditor-General that we can have this control, or, is it possible for this House to exercise control even in some other ways? I respectfully submit that this House has ample alternatives to have such control, notwithstanding the fact that the accounts of the Corporation are not going to be audited by the Auditor-General. For example, firstly, the House has an opportunity to discuss the affairs of such corporations at the time of annual budget or even at the time of discussion on the Presidential Address. Secondly the House has also opportunity to discuss the affairs when an amending bill to amend the Act concerning the Corporation is brought before the House. Thirdly at the time when the annual reports are placed before the House for discussion. Then again, by putting questions. So far as the questions are concerned, Mr. Speaker has been very liberal in allowing all sorts of questions on the varied activities of these different corporations. In England and other countries there is some sort of restriction put on the scope of questions that can be asked in the Parliament on the working of corporations.

Shri Nambiar (Mayuram): Accountability is different from putting questions in the Parliament. I think the hon. Member must differentiate between 'accountability' and 'check'.

Shri Morarka: My hon. friend, it seems, understands the meaning of the word 'accountability' only in the narrow sense of book-keeping and accounts. 'Accountability' here means responsibility or answerability to this House; how this House can have control over the affairs of the corporations etc.

Mr. Deputy-Speaker: Both the hon. Members are fully entitled to have their own notions.

Shri Morarka: The point is, when questions are put about the working of these corporations and the Ministers are asked to give answers to those questions, then the affairs of these corporations are probed into by this House and this House can have ample opportunity to expose the working of these corporations.

Now, there is a difference between a commercial auditor and the Auditor-General. The difference is this. So far as a commercial auditor is concerned, he audits the affairs of a corporation in a straightforward manner in the sense that he is only concerned whether the expenditure made by the corporation is properly accounted for or not and whether the receipts are also properly accounted for or not. But so far as the Auditor-General is concerned, he carries out audit in three ways. Firstly, he has to do the straight audit which I have just mentioned. Secondly, he reports on wastage and extravagance of the Corporation. Thirdly, he also reports on the so-called 'Appropriation Audit'; that is, whether amount sanctioned by the Parliament has been properly appropriated or not. In commercial concerns, when once an amount is sanctioned, it is not necessary for either extravagance audit or the audit to see whether the amount is properly appropriated or not. These things are not necessary so far as business corporations are concerned. Only first type of audit is necessary and so far as straight audit is concerned, it was accepted—and that is the case in other countries also—that

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the accounts of the autonomous corporations which are established by Parliament must be audited by the auditors appointed by the corporations or by the ministers themselves.

I do not want to bother the House by taking many examples of foreign countries to illustrate my point, but I will take the example of the United Kingdom and U.S.A. to support my contention. In the United Kingdom, first of all, in 1947, the Conservative Party declared that all the affairs of the corporations shall be audited by the Auditor-General. But then the Public Accounts Committee of the House of Commons turned down that recommendation. They said that the affairs of the corporations must be audited by commercial auditors. After that a committee was appointed in 1953 to go into this question very carefully. That committee, in 1953, after taking the evidence of the Auditor General, Sir Frank Tribe, submitted a report. Their conclusion was that it would not be in the interests of the corporations to have the affairs audited by the Auditor-General. They said that if the Parliament so desires, the Parliament can tell the auditors of the corporations that they must also report on some special matters. If that is done, the Parliament should have control over them, but in any case, the Committee said, it is not necessary to have the accounts of these corporations audited by the Comptroller and Auditor-General.

The main danger which they saw was this. Once you appoint the Auditor-General, he does not confine himself to mere auditing. He goes much beyond his actual work. Sir, a question was, therefore, put by the Committee to the Auditor-General which reads liket his:

> "Do you reckon that you do go beyond what the ordinary commercial accountant would do for an ordinary commercial organisation?"

The answer was:

> "I think I certainly do—not as part of my statutory functions. My statutory functions are really just the audit of accounts, but successive Public Accounts Committees have encouraged the Comptroller and Auditor General to go decidedly beyond that, and I should think that the Public Accounts Committee now takes much more interest in my reports on subjects which the ordinary accountant would not report on than on the more narrow financial matters."

Shri C. R. Narasimhan: What does it indicate?

Shri Morarka: It indicates only one thing, namely, that the Auditor-General is in the habit of looking into matters which are not strictly necessary. This creates unnecessary fears in the minds of the high officers and kills their initiative. And if there is no initiative left to the officers of the Corporation and if the Auditor-General is allowed to intervene, the result would be that this Corporation would fail.

Sir, It is very interesting to note that on the one hand we want that the accounts of this Corporation must be audited by the Auditor-General and strictest check is kept and at the same time we desire that the Corporation must function efficiently. The two things cannot go hand in hand.

Shri Velayudhan (Quilon *cum* Mavelikkara—Reserved—Sch. Castes): Why not?

Shri Morarka: If the hon. Member has a little patience, I will explain.

Shri Velayudhan: You are misinterpreting facts.

Mr. Deputy-Speaker: Let not this private conversation go on.

Shri Morarka: If you want the affairs of the Corporation to be conducted in an efficient way, you will have to leave it to the initiative of the officers who are in charge of it. If on the other hand you want to impose this strict accountability, departmental routine, etc. you may as well make it a Government deparliament and run it as one of the several Government departments. You need not have any independent Corporation. Then Sir, in the U.S.A. till 1945 there was no statutory requirement about audit of Govt. Corporation; but when in 1945 some regulations were introduced, the Corporation was robbed of its distinctive quality of flexibility and enterprise. The tendency in U.S.A. now is to have more and more works done by the departments than by corporation because there is no difference left between the two. In Sweden, the Auditor-General was constantly trying that all the public companies must be put under his control, but the Parliament said, "No".

My purpose in stating these things is not that we have got less confidence in the Auditor-General. It is not so. The point is that once the Auditor-General starts intervening in this matter, the efficiency of the Corporation will become less and your desire to run it in a business-like manner will not be fulfilled.

Shri C. R. Narasimhan : Question.

Shri Morarka : My hon. friend says "Question". I have got two notes here circulated by the office of the Auditor-General. I will read out from the first note :

> "The previous Comptroller and Auditor-General had characterised the constitution of companies for the administration of State enterprises as a fraud on the Company Law and the Constitution."

Sir, I would like to know who commits this fraud. The Auditor-General is very anxious to protect the rights of this House and here he says that a fraud is being committed on the Constitution and the Company Law. Who incorporates this Corporation ? It is the Parliament; if that is so, is this Parliament committing a fraud ? I think it is not nice for the Auditor-General's office to say, "You are committing a fraud and still I would like to be accountable to you". I think the responsible office of the Auditor-General or his predecessor should have been more careful in choosing the language. They should be careful in the choice of the words and not say that a fraud is being committed on the Constitution or the Company Law.

Mr. Deputy-Speaker : That may be only a warning to see that less fraud is being committed.

Shri Morarka : I have read out the exact words of the note.

Shri C. R. Narasimhan : Read the whole note.

Shri Morarka : I have read the whole note myself ; if necessary, I shall read the whole note here.

Mr. Deputy-Speaker : I would request the hon. Member not to read the whole note.

Shri Nambiar : We are unable to understand the logic.

Mr. Deputy-Speaker: Can I help the hon. Member ?

Shri Morarka : If by establishing this Corporation, a fraud is being committed on the Constitution, then the very basis is wrong. We must change that idea and we must evolve some other method. This Parliament is supreme and it has thought it proper to establish such Corporations. I do not think the Auditor-General's office or anybody else can have any objection to that. I will say more about this question during the clause by clause consideration.

Coming to the question of compensation, there are two opinions. One school of thought is that the compensation provided in the Bill is very less and that it should be increased. Now you will kindly remember that when the Bill came before the House last time, the compensation provided was much less than what it is now. The Select Committee has made three important changes. The first change is that the business put through in the year 1955 has also been taken into consideration now. That is, the amount of compensation would be increased in proportion to the business booked during the year 1955. The second change is this. Previously, those companies which declared less than a certain percentage of the surplus towards the dividend were entitled to get only 3 per cent. Now, it has been increased to 3½ per cent. This would give relief to few but very deserving companies. The third provision is about special agents and chief agents, and you will see that the provision made in the Bill is very fair and reasonable. Some people have been demanding that the compensation amount should be increased from 5 per cent. to 6¼ per cent. or 7½ per cent. If you increase it like that, then there is no limit to it. You can increase it to even 10 per cent. I think that it cannot be said that the compensation provided in the Bill is something unreasonable.

Then, Sir, the other school of thought is that the amount of compensation given according to the market price is very wrong and that it is a dangerous principle. They quote article 31 of the Constitution to support their point and say that there was no point in amending that article if market price was to be paid by way of compensation. I think the minute of dissent given by those hon. Members is based on some misapprehension. Their criticism applies

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only to Part B and not to Part A. Part B refers to small companies whose assets are less and whose share capital is not intact or those companies which never had any surplus. There are few companies of that type. Those hon. Members who have written minutes of dissent have no objection at all so far as Part A is concerned, where the amount of compensation is given on the basis of surplus valuation. But how is this valuation made or surplus arrived at ? It is by valuing the assets and liabilities and there the assets are valued at the market price. But so far as Part A is concerned, they have no objection. But in Part B they say, "No, do not take the market price. Take only the cost price or the market price whichever is lower". But, Sir, we are not giving them the market price of the shares etc. What we are giving them is the break-up value. The break-up value is found by making an assessment of the assets and liabilities on a particular day. If you take the liabilities of today, how can you take the assets 20 years back? A company might have invested money in certain Government securities or shares at a certain price. Today, when you are finding the break-up value, how can you say, "I will take the price of the assets 20 years back and the liability position as it is today"? That would be basically unfair and unreasonable. Therefore, I am sure the hon. Members who have appended the Minute of Dissent did not properly appreciate the real facts underlying their criticism, and hence I beg to submit that there is very little grievance in that.

Only one more point, and that is about investment. In this Bill provision has been made that an investment committee would be constituted and that that committee would consist of certain persons including some persons of experience in matters of investment. This committee is to advise the Corporation and Government about investment matters. This is a very important matter. About Rs. 500 crores or so would come into the hands of the Corporation. This amount is not in cash, it is already invested in various shares and securities. By virtue of such investment the Government would come in control of so many very important companies. I have heard that the Government would become virtually the controlling authority of the Associated Cement Companies Ltd., and that Government would also hold a substantial block of shares of the Tata Iron and Steel Co., and many other companies. Sir, formerly each insurance company was allowed to invest its funds in small bits in various companies, but now all of them have come together in one single pool in the hands of this Corporation, and hence the holding of the Corporation in certain companies has become very big and has obtained for the Corporation almost the controlling interest. Government must devise some machinery by which the Corporation may get proper representation on the boards of management of those companies. Since the Corporation would have the biggest stake in those companies, it is very essential that Government must take full interest in the management of those companies. We should not fight shy and allow the management of those companies to continue as they are. Whatever the Corporation has a big stake, the Government must have its representatives on the boards of those companies, and the management of those companies must be well within the knowledge of the Government.

Shri H. N. Mukerjee (Calcutta North-East) : As has happened before when this Government essays legislation in token of its declared objective of a socialist pattern of society, we find the idea unexceptionable, but its scheme of implementation full of loopholes. On this occasion also my experience is that the Bill as it has emerged from the Select Committee has a very large number of lacunae which, if we really had the interests of the people at heart, we would fill in properly.

Government has lately taken to saying rather glibly that workers should be associated with the management of industries. Now, in clause 4 of this Bill there was an opportunity for making a specific mention of how, if at all, that was to be done. My fear is that there is no intention of securing genuine representation of insurance workers as far as the composition of the Corporation is concerned. I submit to this House that there are *bona fide* associations of insurance workers. There can be no question, for example, regarding the representative character of the All India Insurance Employees' Association, and they have made a suggestion, which I think ought to have been heeded, that they are ready to see to it that there is an election from among the insurance employees of a certain number who would have seats on the Corporation. But in this Bill there is no provision for

that and it does not seem likely that Government will accept that kind of suggestion.

I find also that in regard to the interests of the employees in general, there is a kind of callousness as far as this Bill is concerned. There is talk even in regard to the reduction of salaries. It must be the experience of many Members of this House in recent weeks to be flooded with letters and telegrams from all sorts of insurance centres reporting how people have been retrenched, according to them quite improperly, and certainly out of conformity with the spirit of the times when insurance was being nationalised. We are given instances not only of retrenchment, but also of transfers of employees against their will, and in view of the obligatory difficulties on that account, from one place to another. Now, we are told in this Bill that there might even be a reduction. We can have no objection to Government finding out what exactly should be the norm of payment. That is a very desirable thing to do, but as matters stand and Government must be aware of the position, I find in Madras, for example, there are insurance institutions which give a starting pay of Rs. 60 to Rs. 80 to a clerk, and this sum includes all allowances. In certain companies like the Oriental, for example, the employees have had to fight and after a long, protracted struggle, they have secured certain concessions. I do not say that these concessions are something in the nature of ideal payments, but we find in the country on one side payments of a ludicrously low character and on the other side in certain companies payments which are more or less near normalcy. The whole thing can be rationalised and the whole thing ought to be rationalised in a generous way, and I suggest that Government accepts the idea that for the time being the wages as they are, should remain, that the representation made by the insurance employees in a charter of demands which they had put up in 1953, which had gone through certain discussions with the Chief Labour Commissioner to the Government of India, might be revived as the basis for discussion; and then perhaps, after a bi-partite discussion which would ensue, we can have a genuine agreement between Government and the employees. If there is no agreement, of course sections in this Bill could be invoked in order to have reference to a tribunal. But in the meantime, in view of reports coming from so many companies, Vishwabharati, Palladium, India General and so on and so forth—we get so many letters and telegrams from day to day—we ask Government to come forward with a definite idea that for the time being wages be more or less frozen, for the time being the employment position should remain unaltered, and there would be, as soon as it can be done, a review of the whole position in a generous manner so that whatever concessions the employees have won after a great deal of trouble, concessions which have been warranted by the awards of tribunals which are of a more or less judicial character, are not tampered with at all.

I find also that in this Bill there is no attempt to see that former opponents of nationalisation do not get into key positions. I am quite prepared to concede that somebody who at one time opposed nationalisation has now changed over. I am sure perhaps at an earlier stage of his career the Finance Minister himself did not have a particular fondness for the idea of nationalisation. So, I quite concede that there might be cases where people have changed over, but I know in West Bengal people have been appointed custodians who cannot by any stretch of the imagination be considered to be people likely to take favourably to the idea of nationalisation, and I suggest to Government that they have to watch their step. I cannot mention names of certain people who have been appointed to high posts of custodianship in West Bengal, but I know the kind of report which is current about them as far as their attitude towards social and economic problems is concerned. I wish, therefore, that Government watches the steps of these people and, at any rate, Government comes forward to see that it is made absolutely certain that only those people who are genuinely converted to the idea of nationalisation of insurance, who are genuinely going to work for the sake of making this a success, are going to be put in the Corporation.

In regard to investments to be made out of the moneys of the Corporation I feel that Government should tell us that the Planning Commission would be consulted regularly. I am rather unhappy that Government made a definite promise that the same proportion of life funds would continue to be invested in the private sector as before. We are not

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so very much against the private sector that we say that insurance funds should not be invested in the private sector at all, but we should have relative priorities in the interests of national development, and it may very well be that the private sector should get much less than what they did get under the earlier dispensation. There should be no fetter, I submit, on the utilisation of the funds which would be at the disposal of the Insurance Corporation.

I wish also to refer to another matter and that is the proposed reduction of policy values. Now, the only colourable justification for it might be that there are certain dubious companies whose promoters were insolvent or near-insolvent, and Government, now that they have taken over those companies, cannot attach the same value to the policies as before. But actually, if we want to look after the policyholders' interests, which we are in a bounden obligation to do, then surely we shall realise that it is not the fault of the policyholders that these companies were as bad as they were. Actually, we had our insurance legislation, and we had our Controller of Insurance, and if anybody is to be taken to task, it is our own governmental apparatus for the superintendence of insurance. Therefore, I suggest that there should be no reduction of policy values at all.

Now, in regard to the question of audit, which has caused quite a minor or perhaps even a major storm in this House, I think that my initial reaction is that audit should be by the Comptroller and Auditor-General. I say this as a person with no technical knowledge of this matter. But I say this because, after all, the Comptroller and Auditor-General has functioned in a manner which enables Parliament to have a real check upon the financial management of an institution of the sort that is contemplated. Therefore, unless there are overriding reasons which the Finance Minister can put forward, we would like the Comptroller and Auditor-General to continue. The Finance Minister in his speech mentioned as one of his reasons the fact that there was a shortage of senior officers, and that many of these officers have to be given extensions in spite of superannuation. But I feel that this is answered by the Finance Minister's own statement that the Comptroller and Auditor-General himself is in favour of having charge of the audit of this particular institution. As far as the shortage or otherwise of staff is concerned, it is a matter which is better left to the Comptroller and Auditor-General.

I feel also, that since the Finance Minister has referred to the practice in England, it is only fair that he should tell us if he is prepared to go as far as the Select Committee in England had asked for. The Select Committee in the House of Commons, which did not agree to the suggestion that for all nationalised industries, the British Comptroller and Auditor-General should have his voice, had itself recommended, as my hon. friend Shri Asoka Mehta has pointed out that there should be appointed a committee of the House of Commons by standing order to examine the nationalised industries with power to send for persons, papers and records, power to set up sub-committees and to report from time to time. That committee had also suggested that the staff of the committee should include an officer of the status of the Comptroller and Auditor-General. I am not quoting from any document circulated on behalf of the Comptroller and Auditor-General or anybody on his behalf, but I am quoting from a document which I got on Saturday on account of my being a member of one of the Plan Committees, and it is a short note on the procedure of accounting and audit of public undertakings in some selected countries. So, I expect this is an unexceptionable document. In any case, if it is necessary, I can lay it on the Table of the House, but I do not think that will be necessary. But I suggest to the Finance Minister that if he is going to tell the House that a Select Committe of the House can proceed in the manner which was recommended by the Select Committee of the House of Commons in regard to the nationalised undertakings, then I can concede there is a great deal of point in what he says.

Shri C. D. Deshmukh: There is no proof that the House of Commons has accepted that recommendation.

Shri Asoka Mehta: There are special reasons for that. If you like, we can go into them.

Shri C. D. Deshmukh: That may be. I admit that it is a separate issue. It has been argued once or twice. It may be argued again. But there was a decision by Parliament not accepting that particular recommendation.

Shri H. N. Mukerjee: I feel that if Government can tell us that the Public Accounts Committee that we have got will have first cognizance of the report of the Insurance Corporation and its accounts, and then after that, it comes to us and there is an obligatory discussion of that,—naturally that might mean a great deal of management of the time of Parliament and all the rest of it—if that kind of alternative suggestion or the suggestion which is made here can be supported by Government, then of course, that is something of a justification. But that is a sort of approach which I make.

On the face of it, I feel that in the objective conditions which prevail now in our country, the check represented by the work of the Comptroller and Auditor-General is necessary. But if for certain reasons of a commercial character —because this is going to be a commercial undertaking—that is a rather cumbrous procedure, then there must be an alternative method by which the control of this House can be objectively and truly exercised. And that is the point which I want to make.

I refer now to the question of compensation, which would be the last item which I shall refer to in my speech now. I feel, as has been suggested in the note of dissent given by my hon. friends Shri Sadhan Gupta and Shri Nambiar that the compensation suggested in this Bill is certainly not equitable. The suggestion has been made here that ten years' earnings instead of twenty years', even though that is also unconscionably high, might conceivably be permitted to those who are the insurance promoters in our country. I do not wish to say very much about it except to point out that after all, the promoters of insurance in our country have got very much more than their pound of flesh already. As an instance of how things have operated, I would refer to the fact that the share capital of the largest insurance company in our country, and perhaps in the whole of Asia, was Rs. 6 lakhs which was divided into 3,000 fully paid-up shares of Rs. 200 each. Out of the face value of these shares, only Rs. 50 were paid by the original shareholders, the balance of Rs. 150 having been paid out of the profit of the company at two different valuations. For a number of years, this company paid a dividend of Rs. 125 per share, that is, 62·5 per cent. And after that, it increased that dividend to Rs. 175 per share. If we calculate on the amounts originally paid by the shareholders of this largest Indian company, it worked out to 230 per cent. Then again, the value of the shares would be inflated from time to time. But everybody knows, I am told, in the stock exchange, that the shares of companies like the Orientals are merely a sort of nominal question, for hardly any transactions take place at the price quoted.

My point is that the shareholders of these companies have secured very much more than the capital which they had originally invested. This is a matter which I had mentioned at the time of the State Bank of India Bill also. Now, we have to take into consideration the fact that these people have already got back very much more than what they had invested. Now, they have a right of expectation. That is about all that you can say. That right of expectation must have its limits, in view of the conditions prevailing in our country today. And you have got to find out an equitable measure by which you can specify the kind of compensation which would be paid to moneyed interests and the kind of compensation which will be paid to people who have no money at their back.

In this very Bill, the compensation which is to be paid to employees who are retrenched is of a very niggardly character, and when a workman loses his limbs as a result of an accident, even at that time, the compensation which he gets is very low. If that can happen, I do not see why in the case of people who have been making money for years and years and years, we should let them go on expecting to have their pound of flesh in the merry old manner.

Therefore, I suggest that some kind of gesture is made by Government. In this Note of Dissent of Shri Sadhan Gupta and Shri Nambiar, there is a suggestion made. Shri Gadgil also made another suggestion. Now, as a second best proposition, I commend that suggestion, and if the Finance Minister can make some sort of a gesture, that would be at least a token of his bona fides as far as an attempt to build some kind of a socialistic or socialist pattern of society is concerned.

I feel, therefore, that this Bill has still got to be rather drastically altered, that in regard to some very important points, specially in regard to the status of the workers, their financial expectations,

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their right of being represented on the Insurance Corporation itself and also in regard to such questions as audit, compensation and reduction in policy values, some very important alterations have got to be made; and I hope that this House would give the utmost attention to the details of this measure and then hammer out something which would be beneficial to the interests of our country.

श्री झुनझुनवाला : उपाध्यक्ष महोदय, जीवन व्यापार का राष्ट्रीयकरण क्यों किया गया इसमें अब मैं जाने की आवश्यकता महसूस नहीं करता हूं । इस बात को भी मैं कहने की आवश्यकता अनुभव नहीं करता हूं कि यह चीज देश के हित में है । दूसरे देशों में भी इस बात की आवश्यकता महसूस की गई थी कि इस व्यापार का राष्ट्रीयकरण किया जाये । अब सवाल यह पैदा होता है कि जब एक चीज का राष्ट्रीयकरण किया जाता है तो उसको कैसे चलाया जाये । यदि इसको सुचारू ढंग से, सुचारू रूप से चलाया जाता है तो इससे बढ़ कर, मैं समझता हूं, और कोई अच्छी चीज नहीं हो सकती है । हमारी सरकार का उद्देश्य सोशलिस्ट पैटर्न आफ सोसायटी (समाजवादी ढांचा) की स्थापना करना है और उस दृष्टि से भी इस उद्योग का राष्ट्रीयकरण करना बहुत आवश्यक था । परन्तु दुर्भाग्यवश हमारी यह शंका बराबर बनी रहती है कि सरकार के काम करने का ढंग ही कुछ ऐसा होता है जिससे कि वह उस व्यापार को जिसको कि वह अपने हाथ में लेती है, अच्छी तरह से नहीं चला पाती है । जब मैं ऐसा कहता हूं तो मैं आपको यकीन दिलाता हूं कि मैं किसी की ईमानदारी पर सन्देह नहीं करता हूं । लेकिन ऐसी चीज होती है । इसके कई एक कारण हो सकते हैं । सबसे पहले तो उस व्यापार को जो चलाने का ढंग है, वह ठीक होना चाहिये । यह बात मैंने पहले भी कही थी और आज मैं इसे दोहराता हूं । मैंने पहले यह कहा था कि यदि इसमें थोड़ा सा कम्पीटीशन (प्रतियोगिता) का मादा रखा जाता तो सरकार बराबर विजिलेंट (जागरूक) रहती और उसे यह पता रहता कि उसका काम किस प्रकार से चल रहा है तथा दूसरी कम्पनियों का काम किस प्रकार से चल रहा है ।

यह चीज लोगों को भी देखने को मिल सकती थी और सरकार भी सचेत रह सकती थी और सोच सकती थी कि कहीं ऐसा न हो कि हमारा काम किस तरह से दूसरों के काम से नीचा हो । खैर यह बात तो गई और अब होने वाली नहीं है । प्राइवेट कम्पनियों को अब कायम नहीं रखा जा सकता । परन्तु यदि यह किसी भी तरह से सम्भव हो कि एक कारपोरेशन (निगम) न रख कर के तीन, चार या पांच कारपोरेशन रखे जायें तो मैं समझता हूं यह काम अच्छी तरह से चल सकता है । इससे जो कम्पीटीशन का मादा है, जो कि किसी व्यापार को भलीभांति चलाने के लिए जरूरी है वह बना रहेगा । अभी तक लोगों की बीमा की तरफ इतनी मनोवृत्ति नहीं है । बीमा का काम लाने के लिए लोगों के पास कई बार जाना पड़ता है, खुशामद करनी पड़ती है । और उनको कनविस करना पड़ता है तब कहीं जाकर कोई केस मिलता है । कई कई बार तो ऐसा होता है कि जो बीमा कराने वाले होते हैं वे एजेंटों को कह देते हैं कि हम हमारे पास न आना, हमने बीमा नहीं कराना है । इसके बावजद भी एजेंट लोग उनके पास जाते रहते हैं और केस लने का हर सम्भव प्रयत्न करते हैं । अब तो यह और भी बहुत जरूरी है कि हम इस काम को बढ़ायें और अधिक से अधिक लोगों का बीमा करें । ऐसी हालत में अगर यह कम्पीटीशन का मादा बना रहता तो बहुत अच्छा होता ।

कई माननीय सदस्यों का यह कहना है कि जब एक ही तरह से प्रीमियम रेट्स (दरें) रहेंगे तथा दूसरी सब शर्तें एक ही तरह की रहेंगी और जब लोग यह देखेंगे कि सरकार के यहां हमारा बीमा होता है, और सब काम ईमानदारी से होता है तो वे स्वयं आयेंगे और कहेंगे कि हमारा बीमा कर दो । मैं समझता हूं यह जो ख्याल है, यह ठीक नहीं है । मझे इसमें सन्देह है कि लोग ऐसा करेंगे । सरकार के यहां जो भी काम होता है उसमें बहुत कुछ देरी हो जाती है । साथ ही साथ सरकार के जो अफसर लोग होते हैं वे यह नहीं समझते है कि हम लोगों के सर्वेंट हैं, हम जनता के नौकर हैं । उनकी यह भावना रहती है कि जिनको गर्ज होगी वे खुद आयेंगे । कई कई बार तो वे यह कह देते हैं कि आज फुरसत नहीं है, कल आना और जब कोई कल जाता है तो कह देते हैं फिर आना । जहां पर काम को व्यापारिक ढंग से चलाने की बात होती है वहां पर ऐसा नहीं हो सकता है । हमारे भाई ठाकुर दास भार्गव जी ने जो इच्छा प्रकट की है, उसमें भी मैं शामिल हूं और चाहत हूं कि काम उसी तरह से हो जिस तरह से वाह चाहते हैं परन्तु प्रश्न यह है कि क्या सरकार

इस तरह से कर सकेगी । अगर वह नहीं कर सकती है तो ऐसी हालत में कम्पीटीशन का मादा रखना बहुत जरूरी है । सभी काम नौकरी के जरिये से न करा करके कुछ एजेंटों के जरिये से यदि कराया जाय तो अच्छा रहेगा । एजेंट लोगों को हमेशा इस बात की चिन्ता रहेगी कि जितना काम वे देंगे उतनी ही ज्यादा कमीशन मिलेगी और वे ज्यादा से ज्यादा काम लाने की कोशिश करेंगे और सरकार को इस काम में तथा उसके ध्येय में सफलता प्राप्त होगी ।

हमारे फाइनेंस मिनिस्टर साहब ने कहा कि चूंकि हमारा जो खर्चा है, वह कम होगा इसलिए एक्सपेंस रेशो जो इनश्योरेंस एक्ट (बीमा अधिनियम) में है, उसको रखने की कोई भी आवश्यकता नहीं है । बहुत से व्यापारियों ने अपने एविडेंस (साक्ष्य) में कहा है कि नहीं, खर्चा कम नहीं होगा और मैं भी इस बात को थोड़ा बहुत ठीक मानता हूं । मेरा अपना विचार है कि ऐसी हालत में जब कि हमें गांव गांव में जा जा कर इस काम को बढ़ाना है तो हो सकता है कि हमारा खर्चा बढ़ जाये । इसके विपरीत हमारे वित्त मंत्री जी का यह कहना है कि चूंकि खर्चा कम होगा ही इस वास्ते इस एक्सपेंश रेशो को रखने की क्या आवश्यकता है । मैं यह कहता हूं कि जब खर्चा कम ही होगा तो आप को इस एक्सपेंश रेशों को यहां बनाये रखने में क्या एतराज है । ऐसा करने से आप, लोगों को, प्राइवेट सेक्टर (गैर-सरकारी क्षेत्र) को यह कह सकते हैं तथा उनको समझा सकते हैं, कि तुम्हारा इतना एक्सपेंश रेशो था और हमारा इतना है । मेरी समझ में यह नहीं आया कि क्यों हमारे वित्त मंत्री को एक्सपेंस रेशो को रहने देने में कोई हिचक होती है । मैं यह समझता हूं कि जितना भी बन्धन वह स्वयं ही अपने ऊपर तथा उनके ऊपर जो उनके नीचे काम करते हैं, लगावेंगे उतना ही अच्छा होगा । जितना भी आप इन बन्धनों को ढीला कर देंगे उतनी ही शिथिलता आपके काम में आ जायेगी । बन्धनों के लगाने से मेरा यह मतलब नहीं है कि आप किसी के काम करने में कोई अड़चन पैदा कर दें इस तरह के बन्धन में नहीं चाहता हूं । मैं तो समझता हूं कि इस प्रकार का बन्धन लगाने के लिए तो उन्हें तुरन्त ही राजी हो जाना चाहिये था । तो मैं यह एकदम नहीं समझ सका कि वे इस प्रकार के बन्धन लगाने में हिचकते क्यों हैं ।

दूसरी बात जो मैं कहना चाहता हूं वह इनवेस्टमेंट (विनियोजन) के बारे में है । अब यह जो पालिसी होल्डर्स का रुपया है, इसकी मालिक सरकार होगी । अब एक तरह से यह फैसला करना सरकार का ही काम होगा कि इस रुपये को किस तरह से इनवेस्ट किया जाये । यह कहा गया है कि के बोर्ड बनेगा जिसमें कि पालिसी होल्डर्स के नुमाइंदे भी रहेंगे जिनको कि वहीं से नामिनेट किया जायेगा । यह भी कहा गया है कि चूंकि सरकार का यह रुपया होगा, जिसमें कि शेयर होल्डर भी हैं, इस वास्ते यह कनसालिडेटिड फंड में से ही पे किया जायेगा । परन्तु आपको जिस रुपये की रक्षा करनी है वह तो पालिसी होल्डर्स का ही रुपया होगा । तो पालिसी होल्डर्स के हितों की किस प्रकार से रक्षा होगी और क्या आवाज उनकी रहेगी इसके बारे में कुछ भी नहीं बताया गया है । कहां तक ये लोग अपनी डिसक्रीशन (स्वविवेक) एक्सरसाइज कर सकेंगे कि यह इनवेस्टमेंट ठीक है, यह गलत है, यहां इनवेस्टमेंट होनी चाहिये, यहां नहीं होनी चाहिये तथा उनको यहां पर किस प्रकार से लिया जायगा, इसका कोई भी तरीका नहीं बताया गया है । किस तरह से उनको लिया जायगा, चुनाव के जरिये से लिया जायगा या किसी और तरह से इसके बारे में यदि कोई फार्मूला तय कर लिया जाता, गो यह जरा मुश्किल बात है, तो मैं समझता हूं अच्छा रहता क्योंकि इससे पालिसी होल्डर्स के दिलों में यह विश्वास होता है कि हमारे लोग भी वहां पर हैं और वे हमारे रुपये की रक्षा करेंगे । यह चीज होनी बहुत आवश्यक है ।

जिस बात पर यहां बहुत बहस हुई है, वह है हिसाब किताब के जांच करने की । हमारे वित्त मंत्री जी ने आडिटर जनरल (महालेखा-परीक्षक) के इस हिसाब किताब की जांच करने के ऊपर आपत्ति की है । उन्होंने इसके कुछ कारण भी बतलाये हैं । इस सम्बन्ध में उन्होंने जो खास कारण बतलाया है वह वह है कि इस चीज की जांच व्यापारिक ढंग से होनी चाहिये, न कि एक सेट रूल के मुताबिक, जैसे कि आडिटर जनरल के द्वारा गवर्नमेंट की दूसरी चीजों की जांच होती है । होता यह है कि सेट रूल्स हैं कि तुमने इस की इजाजत ली या नहीं, यह काम तुमने बिना इजाजत के किया, बिना सेक्शन के किया । आडिटर जनरल इसी किस्म की जांच करते हैं, वह व्यापारिक ढंग की जांच नहीं कर सकेंगे । ऐसा हमारे वित्त

[श्री झुनझुनवाला]

मंत्री जी का खयाल है और मैं भी उनके इस ख्याल से सहमत हूं। लेकिन होना यह चाहिये कि आडीटर जनरल रहें, उनके नीचे दो चार आदमी इस प्रकार के रहें जो कि अच्छी तरह से हिसाब किताब की जांच करें और व्यापारिक ढंग से जांच करके बतलायें कि इसमें इस चीज की खामी है। बहुत से लोगों ने कहा कि विलायत में इस तरह से होता है, बहुत से कानून बनाये गये, हाउस आफ कामंस की बातें बतलाई गई। खैर, उन सब बातों से कोई लाभ नहीं है। मैं उन सब बातों के ऊपर नहीं जाना चाहता। विलायत में होता है तो ठीक है, नहीं होता है तो उसमें हमारा कोई हर्ज नहीं। लेकिन यहां की जो स्थिति है उस स्थिति को देखते हुए मैं वित्त मंत्री जी से कहूंगा कि यदि किसी प्रकार की कोई खास आपत्ति न हो तो आडिटर जनरल के जरिये ही यह चीज आडिट होनी चाहिये, और उसकी आडिट रिपोर्ट जो हो वह पार्लियामेंट के सामने आनी चाहिये ताकि उनके कार्यकर्त्ताओं के ऊपर यह बन्धन रहे कि जो चीज वह करेंगे उसकी यहां पर बहुत छान बीन के साथ जांच होगी। इसलिये जो कोई भी काम करे वह बहुत अच्छी तरह से करें।

दूसरी बात यह है कि जब रिपोर्ट पार्लियामेंट (संसद) के सामने आयेगी तो हम लोक उसको पढ़ सकेंगे और पढ़कर के उस के ऊपर टीका टिप्पणी कर सकेंगे कि काम ठीक होता है या नहीं। जब हमारे कंसालिडेटेड फंड्स (संचित निधि) से रुपया इसमें लगाया जाता है तो हम लोगों का यह कर्तव्य हो जाता है कि उसको अच्छी प्रकार से देखें। मेरी समझ से यह चीज बहुत आसानी से हो सकती है लेकिन शायद हमारे वित्त मंत्री जी इसको मानेंगे नहीं। हालांकि मेरी समझ से उनको इस चीज के मानने में कोई आपत्ति नहीं होनी चाहिये। जितना उनके ऊपर अंकुश रहेगा उतना ही वह लोग सोचेंगे कि हम लोग ठीक से काम करें। जितना ही वह लोग ठीक से काम करेंगे उतना ही उन के लिये लाभदायक होगा, उनके महकमे के लिये लाभदायक होगा और देश के लिये लाभदायक होगा और जो रुपया हमारा लगेगा उसके लिये लाभदायक होगा।

अब मैं कुछ चीफ एजेन्ट्स (मुख्य अभिकर्ता) और स्पेशल एजेन्ट्स (विशेष अभिकर्ता) के बारे में कहना चाहता हूं। हमारे वित्त मंत्री जी ने कहा कि जो चीफ एजेन्ट्स की पोस्ट है वह नहीं रहेगी, ठीक है, वह न रहेगी क्योंकि जब यह उद्योग प्राइवेट कंपनियों के हाथ में था उस वक्त इसकी आवश्यकता समझी गई थी, परन्तु आज उनको जो कम्पेन्सेशन (मुआवजा) दिया जाय वह, जैसा कि हमारे ठाकुर दास जी ने कहा, उनको एक बार में दे दिया जाय। स्पेशल एजेन्ट्स को जिनके लिये बतलाया गया है कि अब नहीं रहेंगे, जो कम्पेन्सेशन दिया जाता है वह केवल दो वर्ष के लिये दिया जाता है। यदि इंश्योरेन्स कम्पनियों का रेकार्ड देखा जायगा तो उससे प्रतीत होगा कि जो स्पेशल एजेन्ट्स थे वे बहुत अच्छा काम करते थे। मैं यह नहीं कहता कि उनको रक्खा ही जाय या न रक्खा जाय, परन्तु उनको भी जो कम्पेन्सेशन दिया जाय वह कुछ अधिक हो। बल्कि अगर उनको थोड़े दिनों के लिये आरम्भ में रहने दिया जाय तो भी कोई हर्ज नहीं है। जब कि हमारी सरकार का यह महकमा नया बन रहा है और जब कि स्पेशल एजेन्ट्स बहुत अच्छा काम करते थे, जैसा कि रिपोर्ट को देखने से मालूम होता है, तो मैं इस कारपोरेशन के हित में यह बात कहूंगा कि उनको कुछ दिनों के लिये रखा जाय और देखा जाय कि वे किस तरह से काम करते हैं।

[PANDIT THAKURDAS BHARGAVA *in the Chair*]

केवल सेलरी (वेतन) पेड आदमियों को रख कर मेरी समझ में जो इंश्योरेन्स का काम है वह बहुत बढ़ नहीं सकता है। आपको आज रूरल एरियाज (ग्रामीण क्षेत्रों) में भी यदि काम करना है तो मुझ को डर है कि वास्तव में पेड आदमियों को रख कर आपको इंश्योरेंस कम मिलेगा और वहां पर आप का एक्सपेन्स रेशियो (व्यय का अनुपात) बढ़ जायेगा। अगर वहां पर एजेन्ट्स के जरिये से काम लिया जायेगा तो ज्यादा अच्छी तरह से चलेगा।

मुझे कुछ जनरल कम्पनीज के बारे में भी कहना था लेकिन चूंकि मेरा वक्त खत्म हो गया है इसलिये उसके बारे में कुछ नहीं कहूंगा जब क्लाज बाय क्लाज कंसिडरेशन (खण्डवार विचार) होगा तब कहूंगा। परन्तु फारेन इंश्योरेन्स के बारे में कहूंगा कि कारपोरेशन इस काम को नहीं कर सकेगा, इसलिये इसको प्राइवेट कंपनीज पर छोड़ा जा रहा है। यह बहुत अच्छी बात है, परन्तु इसमें केवल फारेन कम्पनीज को ही न लिया जाय। अगर हिन्दुस्तानी कम्पनीज इस काम को करना चाहें तो उनको भी दिया जाय। वह बाहर से काफी काम ला सकेंगी और उनके ऊपर भी इस काम को छोडा जाना चाहिये।

श्री श्रीनारायण दास (दरभंगा मध्य) : सभापति महोदय, प्रवर समिति से जिस रूप में यह जीवन बीमा निगम विधेयक सदन के सामने आया है, मैं उसका स्वागत करता हूं । इस सिलसिले में जो बहस हो रही है उसमें सबसे प्रमुख विवाद का विषय जो बन गया है वह है इस निगम के पार्लियामेंट (संसद) के प्रति उत्तर-दायित्व का । इसके सम्बन्ध में कई माननीय सदस्यों ने अधिकांश रूप में अपने विचार इसके पक्ष में प्रकट किये हैं कि इस विधेयक में इस बात का अधिकार कंट्रोलर और आडिटर जनरल (नियंत्रक तथा महालेखा परीक्षक) को मिलना चाहिये कि उनके द्वारा इस निगम के कार्य विधि और हिसाब किताब की जांच की जाय । कुछ सदस्यों ने इस का विरोध भी किया है । माननीय वित्त मंत्री ने अपने भाषण में भी इसका विरोध किया है । जो धारायें इस विधेयक में आडिट के सम्बन्ध में दी गई हैं और कहा गया है कि जो आडिटर की रिपोर्ट होगी वह सदन के सामने रक्खी जायेगी और इस सदन को अधिकार होगा उसके ऊपर विचार करे, उस पर अपने विचार को आधारित करके उन्होंने कहा है कि औद्योगिक और व्यावसायिक संस्थाओं के हिसाब को आडीटर जनरल के द्वारा जांचा जाना आवश्यक नहीं है । उन्होंने संविधान की धारा १४९ को उद्धत करके बताया है कि उसके जरिये से पार्लियामेंट को अधिकार है कि केन्द्रीय सरकार या राज्य सरकार के हिसाब की जांच में या किसी दूसरी अथारिटी के हिसाब की जांच के सम्बन्ध में कंट्रोलर और आडिटर जनरल के जो कर्तव्य होंगे या अधिकार होंगे, वह इस संसद के द्वारा निश्चित किये जायंगे । मैं यह कहना चाहता हूं कि इस अनुच्छेद के मुताबिक इस प्रकार का विधेयक इस सभा के सामने अब तक पेश हो जाना चाहिये था कि कंट्रोलर और आडिटर जनरल के क्या क्या अधिकार होंगे, क्या क्या कर्तव्य होंगे सरकार के हिसाब किताब के सम्बन्ध में या किसी दूसरी संस्था के हिसाब के सम्बन्ध में जिसको यह पार्लियामेंट कायम करेगी । लेकिन सात आठ साल हो गये । अभी तक इस प्रकार कोई विधेयक हमारी सरकार ने पेश नहीं किया । इस से मालूम होता है कि सरकार इस बात की आवश्यकता नहीं समझती है कि कंट्रोलर और आडिटर जनरल के कर्तव्य और अधिकार की व्याख्या इस संसद के द्वारा जल्दी से जल्दी करा दी जाय । ताकि संसद् को यह निर्णय करने का मौका मिले कि हिसाब किताब की जांच के सम्बन्ध में संविधान ने जो आधिकार संसद् को दिया है उसका उपयोग वह कंट्रोलर एंड आडिटर जनरल द्वारा कर सके । इस सम्बन्ध में सरकार इसका निर्णय नहीं कर पायी है कि उसका क्या मत है । जिस प्रकार की संस्था काम करेगी और कंसालिडेटेड फंड आफ इंडिया से जो रुपया पार्लियामेंट के द्वारा स्वीकृत होकर उस संस्था को दिया जायगा, उसके हिसाब किताब की जांच कौन करेगा, इस निर्णय पर सरकार अभी तक नहीं पहुंच पाई है ।

4 P.M.

अभी इस सम्बन्ध में मेरे मित्र श्री मोरारका ने जो फरमाया और अपने पक्ष में वक्तव्य में से कुछ अंश कोट किया, मैं समझता हूं कि उन्होंने वक्तव्य को या तो ठीक तरीके से पढ़ा नहीं या उनके मन में कुछ गलत फहमी है । पहले जो हमारे कंट्रोलर एंड आडिटर जनरल थे उन्होंने एक बार कहा था कि कंसालिडेटेड फंड से रुपया निकाल करके प्राइवेट कम्पनी में इनवेस्ट करना, यह एक प्रकार का संविधान पर धोखा है, यह उनका विचार था । उनके इस विचार से हम सहमत हों अथवा न हों लेकिन प्राइवेट लिमिटेड कम्पनीज में सरकार का रुपया लगाना, ऐसी प्राइवेट लिमिटेड कम्पनी जिसमें दो या तीन सरकारी अफसर उसके हिस्सेदार होते हैं, सचमुच में ऐसा मालूम पड़ता था कि सरकार देश के पैसे को ऐसे लोगों के हाथ में दे रही है जिस पर न तो पार्लियामेंट का किसी तरह से सीधा नियंत्रण है और न कंट्रोलर एंड आडिटर जनरल के हाथ में खजाने की जवाबदेही के बारे मे कोई अधिकार है । पहले के जो कंट्रोलर एंड आडिटर जनरल थे, उन्होंने इसका जिक्र किया है । अभी जो कंट्रोलर एंड आडिटर जनरल हैं, उनका कहना है कि वह इस मत से सहमत नहीं हैं लेकिन उनका भी खयाल है कि यदि सरकारी खजाने का केन्द्रीय कोष का कोई भी रुपया किसी कम्पनी में अगर दिया जाय तो उसके हिसाब किताब की जांच करने का अख्तियार कंट्रोलर एंड आडिटर जनरल को रहना चाहिए, मैं समझता हूं कि उनका यह कहना हर तरीके से उचित है ।

यहां यह उदाहरण दिया गया है कि यूनाइटेड किंगडम में राज्य की तरफ से जो कारोबार चलाया जाता है उसमें वहां के कंट्रोलर एंड आडिटर जनरल को इस बात का अख्तियार नहीं है लेकिन ऐसा उदाहरण देने वाले हमारे माननीय सदस्य यह अन्तर नहीं करते हैं कि वहां राज्य के कारोबार में सीधे सरकारी खजाने से रुपया नहीं दिया जाता, हां यह बात सही है कि

[श्री श्रीनारायण दास]

ऐसी संस्थायें जो डिबेंचर्स (ऋणपत्र) चालू करती है उनके इंटरेस्ट्स को वह सुरक्षित करती है । वहां पर सीधे कंसालिडेटड फंड से रुपया कारोबार में नहीं जाता जब कि यहां हमारे देश में जितनी भी सरकारी प्राइवेट लिमिटेड कम्पनीज चलती हैं या जो निगम हम कायम करने जा रहे हैं, उस कार्पोरेशन में अधिकांश रुपया कंसालिडेटड फड आफ इंडिया से दिया जायगा और इसलिए यह जरूरी हो जाता है कि पार्लियामेंट एक अधिकारी द्वारा इस बात की निगरानी और जांच पड़ताल कराती रहे कि हमारे खजाने से जो रुपया व्यावसायों में लगाया जाता है, उसका ठीक तौर पर इस्तेमाल हो रहा है कि नहीं । इसलिये यह जरूरी है और मैं समझता हूं कि वित्त मंत्री महोदय को इस बात को मान लेना चाहिए कि जो निगम हम स्थापित करने जा रहे हैं और जिस पर कि सरकारी खजाने का काफी रुपया लगने जा रहा है, उसके हिसाब किताब की जांच करने का अख्तियार कंट्रोलर एड आडिटर जनरल को दिया जाय । और इस प्रकार का अधिकार दिया जाय तो यह नामुनासिब नहीं होगा बल्कि यह उचित ही होगा । ऐसा करना और जरूरी भी है । श्री मोरारका का इस बारे में कहना था कि अगर इस तरह का अख्तियार दिया जायगा तो इससे कारोबार में नुकसान होगा, मुझे उनकी यह बात समझ में नहीं आती है । अभी भी कंट्रोलर एंड आडिटर जनरल के मातहत एक कमर्शियल आडिट का डिपार्टमेंट खुला हुआ है और जिसको कि हम दिन पर दिन अधिक बलशाही बनाते जा रहे हैं और मैं समझता हूं कि कंट्रोलर एंड आडिटर जनरल को अगर यह अधिकार दिया जायगा, तो उससे कारोबार को नुकसान नहीं बल्कि फायदा होगा । इस निगम के हिसाब किताब की जांच करने के लिये जो आडिटर्स नियुक्त किये जायंगे, उनके द्वारा जो रिपोर्ट होगी वह संसद् के सामने रक्खी जायगी । इस सम्बन्ध में मेरा कहना यह है कि जो व्यावसायिक आडिटर होता है वह आम तौर पर केवल नफे और हानि का हिसाब देख कर अपनी रिपोर्ट दिया करता है लेकिन उस संस्था में कितनी फिजूल खर्ची है, कितना अपव्यय है, कितनी बुराई है, यह सब देखने का अख्तियार उस आडिटर को नहीं होता, इस तरीके के जो आडिटर्स होते हैं उनको इस तरह की जांच करने का कोई अधिकार नहीं होता लेकिन अगर इसकी जांच कंट्रोलर एंड आडिटर जनरल द्वारा कराये जाने की व्यवस्था होगी तो जो फिजूलखर्ची होगी, वैयक्तिक नियंत्रण में जो खराबी होगी या और जो किसी किस्म की काम में खराबी होगी, उस सबको देखने का अख्तियार अगर कंट्रोलर एंड आडीटर जनरल को रहता है तो उससे देश में उस कारपोरेशन के प्रति विश्वास बढ़ेगा और इसलिए यह आवश्यक हो जाता है कि जो सरकारी धंधे चलाये जाते हैं और इस तरह के निगम स्थापित किये जाते हैं उनके सारे हिसाब किताब की जांच पड़ताल करने का अख्तियार कंट्रोलर एंड आडिटर जनरल को देना चाहिये ।

दूसरी बात मैं यह कहना चाहता हूं कि जो निगम हम संगठित करने जा रहे हैं वह स्वागत योग्य है और उस निगम के जो अधिक से अधिक १५ सदस्य हुआ करेंगे, उन १५ सदस्यों की नियुक्ति सरकार करेगी लेकिन उनके क्या गुण होंगे, क्या क्वालिफिकेशंस होंगी अथवा क्या डिस्क्वालिफिकेशंस होंगी, इस बात का विशेष जिक्र इसमें नहीं किया गया है । मैं समझता हूं कि इस बात की अगर इसमें व्याख्या होती तो अधिक उचित होता । मैं समझता हूं कि जो १५ सदस्य इस कार्पोरेशन के होने वाले हैं, उनके सम्बन्ध में कुछ विशेष जिक्र जैसा कि दूसरे दूसरे कानूनों में होता है, अगर इसमें भी सिद्धान्त की तौर पर कुछ जिक्र किया गया होता तो उससे जनता में इसके प्रति ज्यादा विश्वास की भावना पैदा होती ।

तीसरी बात जो मैं कहना चाहता हूं वह यह है कि इंशोरेंस ऐक्ट के मुताबिक इन कम्पनियों के जो संचालन बोर्ड होते थे, उनमें पालिसी होल्डर्स के कुछ प्रतिनिधि रहते थे, मैं इस बात को मानता हूं कि सरकार जो निगम कायम करने जा रही है, उसमें इस तरह का प्रतिनिधित्व कैसे होगा, इसके ऊपर पूरी तरह विचार नहीं किया है । मैं समझता हूं कि इस कारपोरेशन में अगर पालिसी होल्डर्स के प्रतिनिधि सरकार द्वारा ही नामजद किये जायं जो सिर्फ पालिसी होल्डर्स के इंटेरेस्ट्स को ध्यान में रख कर काम करें, अगर इस तरह की व्यवस्था हमारे वित्त मंत्री महोदय कर सकें तो यह बड़ा लाभप्रद कदम सिद्ध होगा ।

एक और विशेष बात जिसकी कि तरफ दूसरे माननीय सदस्यों ने भी ध्यान खींचा है, वह इस निगम के द्वारा जो जीवन बीमे की व्यवस्था की जायगी, उसके सम्बन्ध में होने वाले खर्चे की बात है । अभी जो हमारे बीमे का कानून

है, उसके अन्दर एक निश्चित सीमा दी गई है कि जिस सीमा के बाहर जो प्रबन्ध का खर्चा होगा, वह नहीं बढ़ेगा । मैंने प्रवर समिति को सौंपे जाने के पूर्व जब यह विधेयक इस सदन में आया था तो मैंने कहा था कि अब कम्पिटीशन नहीं हो सकता । एक माननीय सदस्य ने कहा है कि अगर एक की जगह सात कारपोरेशन कर दिये जायंगे तो उससे कम्पिटीशन होगा और उसमें खर्च की कमी होगी और काम भी अच्छा होगा, मैं इस विचार से सहमत नहीं हूं और मेरा विचार है कि वर्तमान अवस्था में इस तरह का कम्पिटीशन सम्भव नहीं है लेकिन मैं चाहता हूं कि इस विधेयक में इस बात का जिक्र जरूर रहना चाहिये कि एक सीमा के बाहर उसके प्रबन्ध का खर्चा नहीं बढ़ेगा । यह बात सही है कि माननीय वित्त मंत्री ने आश्वासन दिया है और इस बात की आशा की जाती है कि जिस तरह की कम्पनियां काम करती हैं, उनका जो खर्च है, उससे कम खर्चा इसमें होगा और इस नाते मैं समझता हूं कि यह जो १५ प्रतिशत: का आदर्श है यह भी अधिक है और जब कम्पिटीशन नहीं है और जब एक ही संस्था सारे देश में बीमे का काम करेगी तब इस १५ प्रतिशत: को घटा कर और नीचे लाया जाना चाहिये । जब किसी तरह से व्यवसाय को प्रलोभन नहीं देना है और अव्यवसायिक ढंग से कोई बिजनेस प्राप्त करना नहीं है, तब उस पर होने वाला खर्चा बहुत ही कम होना चाहिये ।

सभापति महोदय, इस निगम की जो आमदनी होगी, उसको किस तरह से इन्वेस्ट किया जायगा, इस विषय में एक कमेटी की नियुक्ति की व्यवस्था की गई है । म समझता हूं कि यह बहुत स्वागत-योग्य बात है । प्रवर समिति ने यह निश्चित किया है कि किस तरह की इनवेस्टमेंट कमेटी होगी । यह बड़ी अभिनन्दनीय बात है ।

इसके पश्चात मैं एक बात पार्लियामट की एकाउंटिबिलिटी के मुताल्लिक कहना चाहता हूं । इंडियन कम्पनीज एक्ट की धारा ६१६ के मुताबिक सरकारी प्राइवेट लिमिटेड कम्पनियों के आडिटर्स की नियुक्ति करने में कम्प्ट्रोलर एंड आडिटर-जनरल का अधिकार होता है । यहां पर मेरा आशय प्राइवेट लिमिटेड कम्पनीज से है । मेरी समझ में नहीं आता कि उसी तरह की व्यवस्था इस बिल में क्यों नहीं की गई है । केवल इस आधार पर ऐसा न करना कुछ उचित प्रतीत नहीं होता है कि कम्प्ट्रोलर एंड आडिटर-जनरल को अधिकार देने से हमारे व्यवसाय में तरक्की नहीं होगी और उसका विकास नहीं होगा । मेरी समझ में नहीं आता कि क्या कम्प्ट्रोलर एंड आडिटर-जनरल के अधीन कार्य करने वाले आडिटर यह महसूस नहीं करेंगे कि यह केवल एक सरकारी विभाग ही नहीं है, बल्कि व्यवसाय करने वाली एक संस्था है, जिसमें इस बात की निगरानी रहनी चाहिये कि उसमें किसी तरह की फिजूलखर्ची और करप्शन न हो ।

इन शब्दों के साथ मैं इस विधेयक का समर्थन करता हूं और उम्मीद करता हूं कि आडिटर के सम्बन्ध में जो राय इस सदन में जाहिर की गई है, उस पर वित्त मंत्री महोदय विचार करेंगे और कम्प्ट्रोलर एंड आडिटर जनरल को इस में हिसाब-किताब आडिट करने का अधिकार होगा ।

Shri C. D. Deshmukh : Sir, I would like the House first to reflect on the special character of a legislation of this kind based on some far-reaching and fundamental change suggested by the executive Government. I do not think it can be regarded on a par with the ordinary administrative legislation where only ordinary regulatory and controlling duties rest on the Government. This piece of legislation is intended to facilitate a revolutionary change, namely, taking over by the Government of the management of one very important set of financial institutions. In a matter like this, there are no precedents, in this country at any rate, available to the Government and I think a certain amount of latitude should be allowed to the Government to suggest the best form which such institutions should take, because it is undertaking on its own initiative a very big responsibility. No one can be more conscious of that responsibility than members of the executive, particularly the head of the Ministry which is going to be responsible for the management of this particular institution, namely, the Finance Minister. In this matter, the Finance Minister represents not only his personal views but the views arrived at after a very detailed consideration by the whole Cabinet, assisted by—if I am to mention a Cabinet secret—a sub-committee appointed by the Cabinet which is associated with the progress of this Bill through its various stages. Therefore, the scheme that is put forward carries, in a special sense, the authority of the executive Government. All

[Shri C. D. Deshmukh]

I am pleading for in this introductory observation is that we should be allowed to have a sort of a scheme that we have proposed. It is always open to Parliament to introduce changes in the light of experience. It is my experience that it is easier to add than to take away. Whether that applies to the creation of five corporations instead of one or whether it applies to the vesting of the Comptroller and Auditor-General with powers, if, in the light of experience, Parliament finds that these things are necessary, then nothing would be easier for Parliament than to suggest to the Government that these changes should be introduced. Indeed, I should say that if experience is an unerring guide, Government would be the first to come forward with suggestions for such an amendment. These are remarks of a general character but I think that they should be at the back of our minds when we discuss the detailed provisions of this measure.

I shall now deal with certain other general matters which are not really very relevant at this stage. One such is the suggestion made again that general insurance should also be nationalised. The House went into that at one time and I think the ruling of the Speaker was that it was not germane to the provisions of this particular Bill and could not be gone into. In my previous observation, I have given reason why we did not attempt the nationalisation of general insurance. We decided not to do so owing to the fact that the general insurance is part and parcel of the private sector, of trade and industry and functions—it is more important—on a year to year basis. Therefore, the errors of omission and commission in the conduct of this kind of business do not directly affect the individual citizen.

On the contrary, life insurance business directly concerns the individual whose life savings may be affected by the acts of folly on the part of those who are in control of that business or whose fortunes may be affected by their lack of imaginative policy. Moreover, accumulation of vast funds, such as we have in life insurance, in private hands carries with it the danger that the funds may not always be used in the interest of the country as a whole. We know the dimensions of the funds that are involved, even at this somewhat immature stage of life insurance in this country. This factor is not present in any great degree in the case of the general insurance business. On the 31st December 1954, the total funds available in the general insurance were less than Rs. 50 crores. Therefore, from the point of assistance to our Plan, the institution of general insurance, it will be agreed, is not going to offer any significant assistance.

Shri Sadhan Gupta (Calcutta—South-East): What about the retrenchment of employees in the general insurance sector?

Shri C. D. Deshmukh: That is a still more irrelevant issue. In life insurance again, the targets are for long periods and it is not possible for a policyholder to change over to another insurer without loss to himself. He cannot change his mind even when it appears to him that it would no longer be good for him to continue his policy with that company.

The policyholders in general insurance, by contrast, are persons in commerce and industry who have given good evidence of being able to look after themselves. Their policies are also usually sort-term ones, not exceeding one year. It is open to them to change from one insurer to another without any loss to themselves. So, it will be clear that there is no vital or particular purpose that the nationalisation of general insurance would serve. This class of insurance policyholders again belong to class—as already pointed out—which really does not stand in need of protection or assistance from the Government.

We are aware that, as in life insurance, there are malpractices in general insurance business also. And, as I stated once before, if we find that there is no improvement in that respect, then we shall be forced to re-examine this question, but only in that context. For the present we are of the opinion that no useful purpose would be served by the nationalisation of general insurance business in this country.

The second point is—the point of argument justifying or otherwise what we are doing, namely, nationalising—that the malpractices in life insurance were confined to a very small fraction of the total life insurance funds, and that, even these malpractices were allowed to exist only because of the slackness in Government control. I had dealt with

these very points on more than one occasion and yet I am surprised that they should be repeated again. I cannot too strongly emphasise that malpractices were neither so rare nor so minor as the hon. Member—I think it was Shri Tulsidas—would have us believe. In addition to misappropriations and misfeasance with which the public is familiar, there were innumerable instances of bad or worse investments; that is, investments made solely in the interests of the management and to the detriment of the policyholders. The information at our disposal does indicate that malpractices of this kind were indeed widespread. But even taking the Member at his word, even if one per cent. of the funds were involved, it would mean about Rs. 4 crores and a loss of that magnitude would mean misery to a large number of policyholders. This is illustrated by the case that we had some months ago where the sum involved was Rs. 2¼ crores and I am quite certain that we should have heard speeches of quite a different kind if, instead of recovering that money we had failed to recover it and allowed the offender to get away with it.

As regards the so-called slackness in Government control, the House should know that till we decided upon nationalisation there was not the faintest complaint that control was not strict; rather the complaint was that it was over-strict. Here also hon. Members who criticised us have changed their tune. The particular hon. Member himself is a chairman of a company carrying on life insurance business and I do not remember his having ever pleaded for stricter Government control of life insurance business. The large number of court actions, prosecutions against delinquent management, the number of administrators appointed under section 52A, and more recently the case of the Bharat Insurance Company to which I have referred, would serve to demonstrate that governmental control was both vigilant and swift, but such was the lack of standards in the industry that to have prevented all malpractices it would have been necessary to post an officer in each company and supervise it from within in such a detailed fashion that very little initiative would have been left to the managements. Then the cry would have been that the control was oppressive and crippling and that nationalisation was to be preferred.

Another point, really of a general nature, which has been raised by many Members is about the question whether the Corporation should be a single one or whether there should be a multiplicity of corporations. One point, in this connection, that was raised is that while it may be conceded that the establishment of a single corporation is proper, the success of the Corporation would depend on the way it is worked. I was asked questions as to what thought had been given to suggestions made in this particular respect. I think there was some reference to some experts' book on it—Bern I think—and all that. Those are matters on which we shall have ample time to consider. I cannot show in a Bill all the built-in safeguards and other ckecks and counter-checks which would ensure that this Corporation would run effectively.

It is a fact that our intention is to avoid over-centralisation and it is only matters like investments and other big policy matters which would be dealt with at the central office. Most of the other matters would be delegated to the zones. In fact, there would be a further delegation to the divisional offices and it is our intention that they should more or less function as head offices of insurance companies with a wide measure of autonomy.

As regards the other general issue, opinion has been expressed on both sides; the desirability of retaining the competitive element on the one hand and the lack of scope for competition in any real sense of the word on the other. In this matter I think those of us who disagree must agree to differ. I am convinced myself that there is nothing to be gained by starting with five corporations and, apart from this question of unnecessary expenditure, we will have to struggle with five different bodies and select men for manning all the five corporations and keep an eye on their activities. I think, at least to begin with it would be very much better to keep all the threads centrally situated so that directives can be issued and guidance can be given in the light of planning or whatever else that we may have in view and then see how we get on.

As one hon. Member pointed out, the real test will be—since the rates of premium would be uniform—how efficiently the Corporation is run, how the volume of business expands and how the general expense ratio is kept down. There will be plenty of scope in these matters for the managing directors—whatever we call them—to show what

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metal they are made of. I am quite certain that in the review that will be taking place from time to time there will be very searching examination of the efficiency and economy with which the affairs of these corporations are carried on, especially on the point as to how far they are serving the purpose for which they are created; in other words, how the business is expanding. I do not think that, that can necessarily be served only by five separate corporations and not by one corporation with five zonal offices with as much autonomy as we can give them.

Now I come to the other points raised, more or less in the order of the clauses to which they relate. There is the first point about the nomination of policyholders' representatives to the Corporation itself and the election of their representatives to the Zonal Committees. The real difficulty is that we are today dealing with 50 lakhs of policyholders. We hope that in not too distant a future we shall be dealing with 50 million policyholders and I for one cannot see how we can arrange for the election of 3 or 4 representatives to represent the interests of 50 million policyholders. If there was any way out, I for one would have no objection to policyholders being represented by, so to speak, their accredited representatives because we have already said that some representatives of policyholders in a general way would not be on the Corporation. Indeed we think that all the members of the corporation would be representatives of policyholders. That is to say, whereas according to the suggestion and later the amendments, the policyholders would get 33-1/3 per cent. representation, I should aim at 100 per cent. representation of policyholders.

Shri Nambiar (Mayuram): If all the members of the Corporation are policyholders, it will be achieved.

Shri C. D. Deshmukh: We will make the members of the Corporation take out a policy. It is very unlikely that any member of the Corporation will not himself be a policyholder.

As regards the election to the zonal committees, as I said, I do not think hon. Members realise the enormous cost involved in such election. In a constituency where the voters will number over a million—I am taking one-fifth of the total number—and scattered over several States, no candidate can keep in effective touch with the electors. As in our local constituencies, they are not in one place or in one district nor can a candidate afford the expenses involved, even at the rate of four annas per vote.

Shri Ashok Mehta: There can be indirect election.

Shri C. D. Deshmukh: At sometime or other, there has to be a direct election, before there is an indirect election. I believe the Corporation itself will have to spend an enormous amount over the elections, if the elections are to be fair and not a farce. We shall have to have rules and regulations, an election commissioner, another minor edition of the Representation of the Policyholders Act to deal with the election petitions and so on. But I do not think such election would help to keep the expense ratio lower. One can understand the suggestion, but our experience of election of policyholders' directors for the last 15 years is such that we feel that it can easily be that these elections are a farce and perhaps serve no useful purpose. Therefore, I think we should content ourselves with the present state of affairs where we know that generally very responsible public men, either officials or non-officials, would be on the Corporation and would be very much alive to the interests of the policyholders, of the community and various other interests.

I come to clause 6. There is a small point here. Somebody—I think it was Shri Tulsidas—has objected to the language of clause 6(1) which refers to the advantages to the community and not to the policyholders. Our answer is twofold. Although it is not specifically stated, it is certainly implied that it is in the interests of the policyholders that we are primarily nationalising life insurance and it is our hope that in the not too distant future, every person in the community would be a policyholder. In that case, the terms "policyholders" and "community" would become interchangeable to a very large extent.

Shri Tulsidas (Mehsana West): There is no reason why it should not be so.

Shri C. D. Deshmukh: We are nearing it, I think. Regarding clause 6(2)(g), the point made is that the three companies carrying on insurance business which are now subsidiaries of the life insurance companies and which will become subsidiaries of the Life Insurance Corporation should be handed over to suitable

parties. I am surprised that this suggestion should come from Shri Tulsidas who had earlier thrown us a challenge to run an insurance company in competition with private enterprise. That is exactly what we propose to do by retaining these three companies. These companies will function in the same manner as other companies and will be subjected to the provisions of the Insurance Act again in the same manner as others. They may be handicapped on account of certain obvious advantages, namely, observance of the rules and so on, which private enterprises enjoy a freedom from in their conduct.

Shri Sadhan Gupta: They enjoy impunity.

Shri C. D. Deshmukh: It is not a formal impunity. But, it is not certainly that we consider it open to ourselves to turn a blind eye to some of the regulations, as some at least in the general insurance world.

I come to clause 8(2). The point was that some of the companies whose business is taken over may not have any funds for giving gratuity etc. and the employees of such companies should not be penalised. It has also been said that if necessary, sufficient amounts should be deducted from the compensation. Any payment to employees is a normal part of the life assurance fund and therefore, it would not be proper to deduct anything out of the compensation. As regards these employees, I have no doubt that the Corporation will look into this question sympathetically and I am prepared to draw the attention of the Corporation to the observations made in this behalf by Shri Asoka Mehta.

Next comes the question of the reduction of the policy contracts of insolvent companies. It has been pointed out to us somewhat unnecessarily that the Government should have a moral responsibility towards them, because it was our duty to have ensured that no company became insolvent. I have stated on more than one occasion that I have every sympathy with the unfortunate policyholders of such companies. We are dealing with policy reduction and I have certain objections to the proposition put forward by Shri Sadhan Gupta. We cannot subscribe to the proposition that merely because there is a Governmental machinery supervising a particular section of trade, all losses must be borne by Government. If we were to accept this proposition, then we would be letting ourselves in for similar claims in the future in many other fields, like taking over some banks, as we are quite likely to, in connection with the recommendations of the Expert Committee after taking over the Imperial Bank. All depositors in such banks would expect to be paid in full. Also, if we can be sure what the cost would be, we might have considered extending the guarantee to all policyholders. The financial investigation of the insolvent companies, unfortunately, is not yet complete. At this stage I feel it unwise to agree to an unknown liability on behalf of the State. Surely we will consider it, but who is to pay for this generosity? Asking the Corporation to bear the burden would mean that other policyholders are asked to foot the bill. This may well mean that for a long time the existing policyholders in companies like the Oriental and Prudential companies which have been well managed would be getting smaller bonuses than they would have got from their respective companies. Those policyholders at any rate would not think very highly of nationalisation. If Government is asked to pay the compensation, then we should ask ourselves, "why should the taxpayer foot the bill for the losses suffered by a small section of the community"? I have given an assurance that those policyholders would be treated generously and it is my own expectation that they will be more generously treated than either they or anyone else on their behalf has a right to expect; and to that extent, nationalisation would mean a very substantial benefit to those policyholders. I must again repeat the point that any reference in this context to control by Government, that is to say the quality of control under the Insurance Act is dialectical and some what superficial. Surely the House does not expect the State to penalise itself for any acts of control as if the control was synonymous with guarantee. It would be almost as if we were holding the traffic policeman pecuniarily responsible for all street accidents because he is regulating the traffic.

Shri Nambiar: The analogy is not strictly correct. It is a wrong analogy.

Shri C. D. Deshmukh: Hon. Members may have their own views.

Shri Nambiar: It stands to reason.

Shri C. D. Deshmukh : I think this objection comes strangely from Members of the opposition benches, because we are regulating and controlling national life in so many ways that I do urge that it is very dangerous to accept this strange proposition that wherever anything goes wrong because we were trying to control it we must pay the penalty.

Then I come to what has accidently turned out to be the *piece de resistance* of this measure, and that is audit by the Comptroller and Auditor-General. One question is : we have been asked what internal checks we shall have. All the answer I can give is that it is our intention to devise a scheme of internal audit. The men concerned would be responsible directly to the central office or the zonal office, so that the independence of these men is preserved.

Shri K. K. Basu : They will be your own employees.

Shri C. D. Deshmukh : I have not finished my argument. This was only in regard to internal check. I cannot see how you can have an internal check by external means.

I understand the hon. Members who have spoken in favour of audit by the Comptroller and Auditor-General are very much concerned with the accountability of Government and such enterprises to Parliament. The first point that has been raised is a constitutional one, that is to say, whether the right of Parliament to have the accounts audited is being undermined, and the second point is that we are seeking with an ulterior motive to cover up any questionable transactions which the Insurance Corporation may enter into.

As regards the first point, article 149 lays down that the Comptroller and Auditor-General shall perform such duties and exercise such powers in relation to the accounts of the Union or of any other body as may be prescribed by or under any such law made by Parliament. There is no doubt that in respect of transactions which enter into the accounts of the Union he is automatically the audit authority. That is under article 149. But he does not become the audit authority automatically in respect of the affairs of statutory corporations or in respect of companies in which the Government might be financially interested. He becomes responsible for their audit only in so far as Parliament entrusts him with their audit.

That leads to the second point, that is to say the question of merit. What role should we assign to the Comptroller and Auditor-General ?

Shri Ramachandra Reddi (Nellore) : May I interrupt him for a minute ? May I know whether at any time after the Insurance Corporation Bill has been introduced the Auditor-General has been consulted about this matter, and what his reactions were in this particular respect ?

Shri C. D. Deshmukh : The Auditor-General was consulted in relation to the nationalisation of the Imperial Bank. The principle involved was the same as here, namely financial transactions. The whole corpus of the operations is financial transactions. We were in possession of his views. Those views were considered by the Cabinet and we came to the conclusion that that would not be a suitable enterprise to be audited by the Comptroller and Auditor-General. That view was placed before Parliament, when I piloted that Bill, and that view was accepted by Parliament. In view of that, we did not think it necessary to consult him again. Nevertheless, on his own initiative, he has addressed a communication to me, but it is not identical with the note which he has circulated to certain Members of the House. I have not yet had time really to study that note. But I gather that it has not been sent merely to Members of the Public Accounts Committee nor to all Members of Parliament, but only to some Members of Parliament under some restricted circulation.

Pandit K. C. Sharma (Meerut Distt. —South) : To the chosen few.

Shri C. D. Deshmukh : I do not quite know what that means, but that is the factual state of affairs.

I return to this question of the role to be assigned to the Auditor-General in a welfare State, in which day by day, the State is assuming to itself a more positive role in the economic field, in the shape of public corporations.

Now, the question is whether Parliament should burden the office of the Comptroller and Auditor-General, an

office which is intended or was intended mainly for governmental audit, with the audit of all the multifarious projects with which Government are steadily increasing their association. Further, there is this question of whether the Comptroller and Auditor-General's audit is necessarily the best for all such types of cases.

We have considered this question in a discriminatory way from time to time. Parliament has so far acted, or approved of arrangements, according to the needs of each particular situation. In the case of the Damodar Valley Corporation, the Airlines Corporation, the Industrial Finance Corporation and the Rehabilitation Finance Administration, he has been appointed the audit authority. This was done, because it was felt that his staff, limited as it was in relation to the expanding needs of the day, would be able to cope with the work. But we have gradually now gone deeper into the sphere of the private sector, that is to say, into what was the sphere of the private sector, where it is felt that normal governmental audit would not meet with the needs of the situation.

We have found that the case of a statutory corporation dealing with insurance particularly should be on a different footing. The system of functioning of insurers is different from that, needless to say, in Government departments, or even in other industrial concerns, and requires the exercise, as was pointed out by one or two Members, of a very large measure of judgment and discretion by the executive authorities and the controlling authorities. This system is more attuned to commercial audit with which the staff of the Comptroller and Auditor-General is in the main—although he has a wing—unaccustomed, besides being short, as I pointed out, of the personnel of the type required.

We should take note of the fact that the life insurance corporation has been enjoined in clause 6(3) of the Bill, as far as may be, to observe business principles in the discharge of its functions.

Much information has been given in the course of this debate in regard to the practice in U.K. and in some of the other countries. I must say that I felt greatly heartened by the speeches of Shri Morarka on this side, and, I think, Dr. Krishnaswami on the other side. I could not agree with them more in this matter. We have generally followed the U.K. example in parliamentary matters. It has already been mentioned that the Comptroller and Auditor General is not conducting the audit of nationalised industries. The auditors of the industries are appointed by the Minister in charge. It has also been pointed out that the Comptroller and Auditor-General there himself did not claim the right to such audit.

There was some reference to the proceedings of the Select Committee and their recommendation that if the audit were not to be conducted by the Comptroller and Auditor-General, there should be a Standing Committee of the House. I believe that that particular recommendation was not accepted by Parliament. In any case, I do not oppose that particular suggestion; it has come up from time to time. What I actually said was —I think one hon. Member said that I opposed it—that we have had many reports of investigations already. The last time when this matter was debated, copious reference was made to the reports of the Estimates Committee. I said that if any further investigation was to be made, it should be prescribed by that Committee, which has already made the preliminary investigation.

In principle, therefore, I am not opposed to a Committee of the House going into the matter. I believe there is nothing to stop the Estimates Committee, which, I think, in its 13th, 14th. 15th and 16th reports has examined one after another of the enterprises of the Government and made suggestions, from going into it further. I went on to say then :

> "I feel that it is unnecessary. There is a vast deal of material for us to study and digest, which has been thrown up by the labours of the Public Accounts and the Estimates Committees, and it is open to these Committees to go further into these matters in the light of any replies that Government may give. And when we have completed that process, we shall find that there is hardly anything that needs investigation of this comprehensive kind in regard to public enterprises."

I was asked by Shri H. N. Mukherjee whether I would agree that the report might first be submitted to the Public

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Accounts Committee. I believe that the Public Accounts Committee starts operating after the Comptroller and Auditor-General has submitted his audit report. I should think that it would be preferable to have this report considered first by the Estimates Committee, if the House prefers such an arrangement. Then if the Estimates Committee wants to go further into this matter, it can appoint a Sub-Committee to go into it. I am quite certain that it will not be beyond our resources to make arrangements which would be suitable from the point of view of accountability to Parliament and which would yet spare this Corporation from the results of too mechanical an audit such as is conducted in regard to Government's ordinary affairs.

Coming back to the Committee which was appointed in U.K., it is interesting to see some of the views expressed. There is a view expressed by Mr. Robson, President of the Institute of Chartered Accountants. He says :

> "The circumstances of a trading undertaking are rather different from those of a government department. If Parliament is to expect the best type of man to go into these nationalised undertakings, it will have to let the higher executives feel that they are not being interferred with too much, but that they are allowed a large measure of discretion for both policy and the ordinary day to day business."

There was another M.P. who said :

> "Some very experienced people said that they did not believe it was really possible for an outsider to come in and measure efficiency. You could test the accuracy of the accounts, but the moment you get to something like efficiency, it is almost impossible to have a satisfactory efficiency audit. If the inquiry of the auditors is kept to matters of policy, it is inevitable that the higher officials of the nationalised industry will have to give attention to justifying that policy, whereas ordinarily speaking, one must assume they are going to be fully guided in administering the industry. The idea should not grow up that just because an industry has been nationalised, it is going to be nagged at the whole time."

Then, there is Mr. Herbert Morrison, saying :

> "I do not think that these gentlemen", he means the Auditors, "important as their training is, are of the right professional training to pronounce upon the problems of industrial efficiency and managerial competence."

Then, I would also mention the report of the ECAFE Seminar on Organisation and Administration of Public Enterprise in the industrial field, April, 1954. It emphasised that the basic freedom to be enjoyed by State enterprises should include freedom from normal governmental appropriation accounting and freedom from normal governmental audit of operations.

There was some reference to the point that in the United Kingdom, no funds have been supplied to the public corporation out of the public exchequer and that the corporation gets funds from the public. All that the Government give is only funds in the form of debentures and they are entitled there only to interest thereon. It was stated that as the Life Insurance Corporation will get its share capital from out of the Consolidated Fund, it was only proper that the Comptroller and Auditor-General should audit the transactions of this Corporation.

Now, the fact of the matter is this. Here is a quotation from the evidence of Sir Frank Tribe, whose name was mentioned in the course of the debate before the Select Committee :

> "First of all, as the Committee will know, some corporations can draw advances on capital account through appropriate Government departments from the Consolidated Fund. Therefore, Parliament has, in such cases, imposed a maximum on the amount which can be drawn and it is my duty",—I am quoting,—"to authorise advances within that maximum on request from the Treasury."

Therefore, funds are drawn from the public treasury. Then, he goes on to say :—

> "A point which I would like to bring to the Committee's attention is that nearly all these corporations have to raise their capital in the market and they have been enabled

to do so at Government rates by reason of the fact that the Treasury has been empowered to guarantee both their interest and their capital. When these guarantees are issued by the Treasury, they lay minutes embodying them before Parliament. All these issues involve the credit of the State and constitute a potential liability on the Consolidated Fund."

Therefore, there is no great validity in that particular point that has been raised. In essence, the position in respect of the liability of the State in regard to the financial working of these corporations is fundamentally the same both in this country as well as in the U.K. The latest developments in the U.K. will result in the position in this country being no different from that in the United Kingdom. The Chancellor of the Exchequer has now decided upon a revision of the method of financing expenses by the nationalised industries in order to increase the authority's control over the monetary system and to facilitate transactions in the Government Bond Market. In the place of the system whereby these industries borrow initially from the banks and subsequently fund the borrowings by issuing bonds that the Treasury guarantee, there would be a temporary two-year period in which their needs would be met. That further removes the distinction between the two countries.

I do not know how much importance Members attach to experts like Dr. Paul Appleby. It is his third visit in connection with Government Administration and the management of Government enterprises. While we were discussing this issue here, I believe, he addressed the Finance group of Parliament. I am told that in his Address to them.....

Shri T. B. Vittal Rao (Khammam): What is the Finance Group of Parliament?

Shri C. D. Deshmukh: I think of the Congress Party. I think there is also a finance group, a Standing Committee of Parliament also.

Shri T. B. Vittal Rao: My friend says that it never meets.

Shri C. D. Deshmukh: We have been discussing finance for the last 4 months. There is probably nothing which the Committee can do. In his address he has referred to audit by the Comptroller and Auditor-General—it is not by our Comptroller and Auditor-General but audit generally:—

"It is pedestrian in nature and has no value from the point of view of parliamentary accountability of public corporation. It has no quality of positive helpfulness and not much importance to it is attached either in U.K. or U.S.A. In the growing nature of governmental activities, Parliament should delegate more power and, if it wants to be more effective, some general control over the affairs of Government."

5 P.M.

That is the view of one expert. I can only add that that is my sincere view, and indeed when I took the initiative in suggesting nationalisation of life insurance, to my colleagues in the Cabinet I said that if the affairs of the corporation or whatever we might establish were going to be audited by the ordinary audit machinery, then I would not recommend the nationalisation of life insurance, because I was quite convinced then that it will not answer its purpose. Those who are in charge of it would always be trembling, so to speak, for the financial accountability and would not show that dash and enterprise which is so badly called for if any expansion of this somewhat peculiar business is to take place. That remains to be the opinion today and my frank advice to the House would be at any rate to begin with—you can always request the Comptroller and Auditor-General to come in—it would be much worse if you were to ask him to come in now and suppose that the audit is not satisfied from the point of view of accountability to Parliament—I am not saying what kind of audit will take place—it would be more difficult to dissociate that kind of audit from the Corporation. Therefore, my frank advice to the House would be that for the moment we should not insist on audit of the affairs of the Corporation by the Comptroller and Auditor-General.

Then I come to clause 25. I think I have already dealt with that.

I now come to the question of expenses of management and investments. It was said that the provisions of the Insurance Act relating to expenses of

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management and investments should be made applicable to the affairs of the Corporation. So far as the expenses are concerned, I really cannot see what we are to gain by providing for any particular ratio. I have said that it would be in the interests of the Government to take on this challenge and to reduce the expense ratio when it becomes possible. Also in my speech I pointed out certain temporary circumstances which would come in the way of our making any spectacular reduction just now, but one very telling argument which I have is this: what happens if that ratio is not observed? Under the present Insurance Act, which applies to, say, 160 life insurance companies, in theory at any rate, the Controller of Insurance has the right to issue a notice to the companies concerned. I do not know how he issues the notice to Government, the Ministry of Finance or to the Corporation or what he does, or whether he starts any penal action and so on. These are matters which one must rely on Government to attend to in their own interest. As one hon. Member said, this is a kind of challenge which Government have taken on, and it would be for them to justify this momentous decision that they are asking the House to ratify. There will be many criteria by which their performance would be judged and if they are found wanting, the familiar consequences must follow. Therefore, I do not think that that kind of a situation can be met or could be improved upon by a provision of a formal percentage for expenditure.

Dr. Krishnaswami: May I ask one question? The Corporation is different from the Government and therefore the Controller can issue a notice.

Shri C. D. Deshmukh: Formally he can, but there is a string of responsibility. You may call it a Corporation but it is still owned by the Government. I cannot see the Finance Minister being absolved from any sins of commission or omission in this respect on the part of the Corporation. Therefore, I say that the final sanction is not available. You first lay down a condition. Then you provide for a sanction. I hope that Parliament will not insist on that kind of sanction that the Finance Minister may be sent to jail for two years or that the Corporation may be dissolved or may be transferred to somebody else. All these remedies are not available such as are available today in respect of the individual units which are operating the life insurance business.

With regard to investments, we take this point. The Planning Commission and the various authorities should be consulted. Ordinarily, it would not be necessary to consult them in every individual case. The Planning Commission has formulated a Plan. We are all aware of the main features of the Plan. The Finance Ministry in particular is very closely associated with all the stages of the formulation and implementation of the Plan and it will be possible for them to issue directives, if necessary, for investments in order to ensure that the general investment policy of the Corporation is such as to help in the attainment of the objectives of planning. In this connection, I would also refer to the criticism that I guaranteed unfortunately that the same percentage of investments would flow to the private sector. What I said and would like to say again is this. I would like to tell the spokesmen of the private sector, industrialists and others that it is not Government's intention to divert the flow of funds—that is, large dimensions of the present funds—to the public sector to a greater degree than at present. Now, it is my endeavour to see that at least as much money as is available today is made available for investments in the private sector. It is obvious because we do not know what the shape of future planning is going to be. It may be that the relative importance of the public and private sector will keep on changing and the financial arrangements that we make must be in accordance with this disposition. Therefore, it would be unwise for anybody to fix on any percentage at the moment. We are content to go on with the present percentages and we shall see as we go along how the needs of both the sectors are to be met. In another place, we have pointed out that the time has come when we should consider both the sectors as integrated with each other and it is not that there is any anti-thesis between them. It will equally be the duty of the Government to ensure that the private sector obtains the funds from the total national pool for its development according to the Plan as it is its duty to find funds or resources for the schemes in the public sector.

I, then, come to this question of compensation. The first question was whether the payment of the compensation

amount would attract the income-tax law. The answer is that the compensation will not be liable to income-tax in the hands of the insurance company as it will be a capital receipt. To the extent that it does not represent the equivalent of past undistributed profits, it will not be liable to income-tax in the hands of shareholders also.

Then there were some points of facts in regard to the measure of compensation. It was stated that it may be excessive. Now, I pointed out in an earlier speech that the paid-up capital of insurance companies bears no relation whatsoever to the dividends earned from time to time by the shareholders. The reason is obvious, that with a little money one gets together talents, so to speak, in order to manage other people's funds and the profits come not so much out of the lay-out of the original capital, but of the skill and deligence and also imaginativeness in the management of other people's money. Therefore, the total of assets is bound to bear, as time passes, a very large ratio to the original capital. If one refers to companies, one would find that the proposed compensation as compared with the share value is larger as the company is older. Take the case of Oriental which was started in 1874. It started with a share value of Rs. 200.

Shri H. N. Mukherjee: May I, Sir, ask a question? The Finance Minister manages everybody's money in this country. On an analogy, is he expected to have a share in whatever surplus arises in the course of the management of everybody's money?

Shri C. D. Deshmukh: The Finance Ministry is a non-profit making institution.

What I am pointing out is this. If one starts with Rs. 200 and we lay by as reserves 5 per cent, just imagine what would happen to Rs. 200 in, say about 80 years. There is a rule that if you go on adding the rate of interest the sum will double itself. Therefore, I have calculated that if we have Rs. 200 at 5 per cent interest in 1874, then by now we should be entitled to have Rs. 10,000. As against that we are only paying Rs. 4,400 to the Oriental. I wonder whether hon. Members remember having read somewhere that if the original sum which was paid to the Dutch for Manhattan Island had been laid out at a reasonable rate of interest today it would have a compounded value larger than the total valuation of all property on that island. So, hon. Members can make that calculation themselves. Therefore, there is no point in saying or drawing any kind of relationship between the original share value and the compensation to be paid. It might be four times, it may be ten times or it may be forty times and one would ordinarily think that the ratio would be larger as the company is older.

Take another company—Lakshmi. It started in 1924. They started with Rs. 10 as share value and they will be having Rs. 123, that is to say 12 times and not 22 times as in the case of Oriental. There are other examples also. Therefore, one should consider this question of compensation on the merits of the case. Have we taken a reasonable basis for calculating compensation? Are we nationalising it at a reasonable rate? Are we taking notice of any special or abnormal cases? I am quite certain that, as the Select Committee was satisfied, the House would be satisfied that by and large the compensation that we are offering to pay is fair, but certainly not on the generous side.

[MR. DEPUTY-SPEAKER *in the Chair*]

The next question is, how it should be paid? A suggestion has been made, having determined the compensation we should merely pay it in ten instalments. To me it almost appears like sharp practice because Rs. 5 spread over 20 years represents a capital sum which is not Rs. 100 at 5 per cent. but something less. I do not know what the table of equivalents is. If you work it out, it may be Rs. 50. You calculate compensation at Rs. 100 and then you reduce it to Rs. 50 in effect. I think when we are acquiring anything like this from a number of people, there is no reason why we should be almost consciously unfair.

There were some other points, which you yourself have raised and I feel I must give an answer to them. The first point was in regard to the statutory valuation generally. I should assure you that all the statutory valuations by whomsoever they are made will go through a very careful scrutiny in the department of insurance. This scrutiny is very close where an insurer is allowed to distribute any part of the surplus. Part A which accounts for the bulk of the compensation applies only to companies which had distributed surpluses and it is precisely in this case that the check has been closest.

[Shri C. D. Deshmukh]

I come to the specific cases which were referred to. The Lakshmi Insurance Company had no doubt on the valuation day assets in Pakistan worth Rs. 30 lakhs. Negotiations were almost complete for the exchange of this property for property in India worth Rs. 10 lakhs—it is Rs. 10 lakhs and not Rs. 6 lakhs as was mentioned. It is important to note that for the purpose of valuation, the company was not allowed to take credit for Rs. 30 lakhs, but only for Rs. 10 lakhs for which the properties were exchanged. That is to say, on the valuation date, the assets as revalued were fully of the value stated in the balance sheet. As additional precaution, while the policyholders' bonuses were allowed to be declared, the company was required to withhold the dividends to shareholders for a period of nearly two years until the Controller was satisfied that it was safe to release that amount to the shareholders. The policyholders were treated with sympathy, but the shareholders were treated with the utmost strictness.

As regards the Sun Life Insurance Company, the valuation as at the end of 1952 discloses a small surplus which was not allocated as bonus to policyholders, but was carried forward in the valuation of assets of Pakistan properties and was assigned the same value. But these values were lower than the value accepted by the rehabilitation authorities for purposes of assessing the value of properties left behind by refugees. Neither in this valuation nor in the next was any part of that surplus distributed. The position, therefore, according to my information is somewhat different from that obtaining in the other cases cited by you where the declaration of bonuses has taken place. Because the Sun Life Insurance Company did not declare bonuses, it comes under Part B and its whole valuation will have no bearing on the compensation. The company had to be valued afresh on the 19th January, 1956 on the uniform basis laid down in Part B of the First Schedule. I should like to add that I have devoted some attention to the difficulties of the displaced companies, especially those which will be governed by Part B of the Schedule and I am thinking of adding a little *ex gratia* to the compensation paid. I am working out a formula which will take into account the losses that they have sustained as a result of the emergent cases spiring-ing up all of a sudden. It is in my mind to make some allowance for that; that is to say, to add some amount to the market value of the assets as ascertainable now and then deduct the liabilities. which would result in an additional compensation to these companies.

Shri Nambiar: What would be the amount that this additional payment would come to roughly?

Shri C. D. Deshmukh: I cannot say till I work it out, but I should say it should be under Rs. 10 lakhs. That is the outside limit. There are only three or four companies. I think only three. There is Sunlight, there is Eastern or something like that. There are three companies, one with a paid-up capital of Rs. 97 lakhs, one with Rs. 129 lakhs and one with a capital which has somewhat been eroded now, which has a little over Rs. 4 lakhs. So, the capital is under Rs. 5 lakhs and with this addition it might be something more.

I think I have covered most of the points that have been made by hon. Members, and I shall have further opportunities of dealing with some of the points which I have not dealt with, when I deal with the amendments.

Shri N. C. Chatterjee: May I ask the Finance Minister to consider sympathetically the plea urged for compensation paid to special agents? The appeal was made either to allow them to function there for some time more and then to allow the Corporation to determine whether they should continue or not. Or, if you are determined to liquidate them straightaway without giving them a further opportunity, substantially increase the compensation to be paid. Only one-eighth of the annual average earning during the period 1952 to 1955 has been provided they are complaining is totally inadequate and if the Finance Minister will kindly consider sympathetically.....

Mr. Deputy-Speaker: Would is not be better if this appeal is repeated when we take up that particular clause?

Shri N. C. Chatterjee: I am reminding him of this request. He need not give an answer straightaway, but he might consider it sympathetically.

Shri C. D. Deshmukh: I just want to correct something I said. I relied on my memory. I was asked whether there was consultation with the Comptroller

and Auditor-General before this Bill and I said that he was consulted in regard to the State Bank Bill, but the fact was that he was not consulted before the Bill was enacted, but he raised the question after the Act was promulgated.

Mr. Deputy-Speaker: The question is:

"That the Bill to provide for the nationalisation of life insurance business in India by transferring all such business to a Corporation established for the purpose and to provide for the regulation and control of the business of the Corporation and for matters connected therewith or incidental thereto, as reported by the Select Committee, be taken into consideration."

The motion was adopted.

Mr. Deputy-Speaker: Now we take up the discussion clause by clause.

Shri Asoka Mehta: How are you going to decide the time?

Mr. Deputy-Speaker: That is exactly what I am going to put to the House. If the House agrees, we might proceed with the discussion of clause 2 and some hon. Members from different groups might sit together and allocate the time for the different groups of clauses. If straightaway hon. Members are prepared to give me some guidance, I am prepared to abide by that.

Shri Asoka Mehta: I agree with you that it would be better if a small group goes into the matter, but I do not think we shall be able to conclude the discussion within the seven hours that have been allotted because there are a number of points which are bound to evoke considerable controversy.

Mr. Deputy-Speaker: That we can see as we proceed. If we feel some difficulty then we will consider it. Now, should I proceed with the clause and would some hon. Members sit aside and decide about the allocation of time to the several groups of clauses?

Shri Asoka Mehta: If we submit our report tomorrow, will it not be enough? You can proceed with the clause.

Mr. Deputy-Speaker: That is all right. I have no objection. We have only half an hour now. We can proceed now.

Clause 2.— (*Definitions.*)

Mr. Deputy-Speaker: There are some amendments, Nos. 143, 144, 145 and 47. These are the four amendments that we have got to clause 2.

Shri Sadhan Gupta (Calcutta—South-East): I beg to move:

(i) Page 2—

for lines 2 to 33 *substitute*:

"(i) in the case of any insurer specified in sub-clause (a)(ii) or sub-clause (b) of clause (9) of section 2 of the Insurance Act and carrying on life insurance business, all his business;

(ii) in the case of any other insurer specified in clause 9 of section 2 of the Insurance Act and carrying of life Insurance business all his business in India."

(2) (i) Page 2, line 4—

add at the end:

"but not being an insurer specified in sub-clause (iA) of this clause"; and

(ii) *after* line 13, *insert*:

"(iA) in the case of any insurer the business of whose subsidiary may be carried on by the Corporation or whose affairs were being managed on the appointed day by an administrator appointed under section 52A of the Insurance Act, all his business:".

(3) Page 2—

after line 13, *insert*:

"(d) all the business which was being carried on by his subsidiary on the 19th day of January, 1956;"

Shri B. K. Ray (Cuttack): I beg to move:

Page 2—

after line 38, *add*—

"Provided that controlled business as defined above for the purpose of this Act shall not include any such business carried on by a co-operative society with a share capital of rupees fifty thousand or less."

Mr. Deputy-Speaker: All these amendments are now before the House.

Shri Sadhan Gupta: To clause 2, I have tabled all the amendments that you have mentioned, and the main purpose of the amendments is to avoid certain difficulties that may be created in respect of employees.

Clause 2 defines among other things, what is controlled business of an insurer. This definition is of extreme importance, because it is this controlled business that is going to be taken over by the corporation. Therefore, what the controlled business is of the utmost concern to the insurers and the employees alike, and of course, to the people of the country as a whole.

In defining controlled business, the clause restricts itself to the life insurance business of all insurers. In the case of Indian insurers, it is the entire life insurance business. In the case of the foreign insurers, it is their life insurance business in India. Many of these insurers are what are known as composite insurers, that is to say, insurers who transact both life and general insurance business. Now, their general business is left out of account and only their life business is taken over. In the case of subsidiaries of life insurance concerns, their business is being taken over by the corporation, and it can be carried on by the corporation under clause 6. But in the case of composite insurers, the general business is excluded.

I quite understand, though I do not agree, that the general business or the general insurance as such is not to be nationalised. But what I do not understand is excluding general business in cases where the taking over of the life business is sure to lead to the liquidation of the general business. I am sure the Finance Minister is quite aware that almost in the case of all composite companies, with perhaps a few microscopic exceptions, they would find it difficult to maintain themselves after they have been deprived of their life business. They have been deriving all kinds of support from their life insurance. Life business is a much sounder venture than general insurance, and the result has been, I know, in many cases that the administrative expenses were apportioned between the life and the general business, quite a sizable share going to the life sector. The same person had been acting as offices in both cases, and the salaries were apportioned. Now, he would have to be paid entirely from the general business. The salaries of employees and so on were also apportioned. The office charges were apportioned. For instance, the same telephone and other things were paid for out of both sectors. The same building housed the two sectors, and the rent was apportioned between the two sectors.

Under these circumstances, when the general sector will have to shift for itself to meet the entire expenses by itself, it is quite understandable, and it is, practically definite that it is not going to last, and it is going to be liquidated in most cases. There may be one or two companies which will succeed in carrying on, but they will be an exception. Most composite companies will be forced to liquidate their general business. Already telegrams have been coming to us from employees in different general insurance concerns that those companies have threatened to retrench them, have threatened to close down their business and to throw the employees on to the streets. When I asked the Finance Minister a question arising out of his plea for not taking over general business, he made a reply half in ridicule, half in jest, that the question of retrenchment of employees was an irrelevant issue.

Now, I am not surprised to hear from the Finance Minister that because general business is in the private sector, so nothing was being done to take it. Now, if you want to leave general business to the private sector, although I do not agree with it, although there is every plea for taking it into the public sector because of the malpractices prevalent there, at least see that the interests of the employees are safeguarded. If you choose, you can leave those general insurance companies who transact general business only to the private sector, because they will not suffer by the nationalisation of life insurance. But as regards those general insurance concerns who were carrying on life insurance business and were depending on it, if you leave them to themselves, then there is no doubt that the employees who are employed in them will be retrenched. It is all very well for the Finance Minister to say that that is an irrelevant issue. But what we feel is that to drive out—it may be hundreds, it may be thousands—into the streets is not an irrelevant issue by any manner of means. It was the responsibility of the Government to protect their interests when framing such a Bill. And it is not difficult to take over the general business from composite companies, to take over the general business and appropriate to yourselves the whole business and the whole body of employees in those com-

posite concerns. But what is being done today? Today, there is the question of allocation of employees between the two sectors. It is not very easy to do. There are a number of companies who make no distinction among their employees as between the life and the general sectors. Some employees are kept on shifting from one sector to the other. What do you provide now? You provide in the Bill that anyone who was employed in connection with a particular sector immediately before the appointed day would be taken over by the Corporation or not according to the sector in which he worked. Is that fair? Some people might have worked for 20 years in connection with life business, and today it might have suited the exigencies of the general business to shift them temporarily to that sector. And just for this, he will be deprived of employment—I doubt not, much more lucrative employment—under the Corporation, because of this sudden stroke of fate. Is that desirable?

Then there is the question of allocation of paid up capital which will raise all kinds of complications. However much the Government may try to solve it, there will be complications. So from all these points of view, it is very desirable that the general sector of the business, as far as composite insurers are concerned, should be taken over by the Government.

I have suggested amendments in that line. My first amendment is No. 143, in which I suggest that the general business of all composite concerns should be taken over. If the Government is not prepared to go so far, let them at least concede this that when a life insurance concern and its subsidiary concern has been taken over—you know subsidiary concerns will be taken over—in that case at least, let the Government take over the remnant of the general business. For example, there is the case of the National Insurance Company. It has a huge life business; it has a subsidiary, the National Fire and General, which also transacts a huge business and a small general business sector in the life insurance itself. Can anyone suggest with any pretence to sanity that that sector of the National Insurance Company will still continue after the life insurance business is taken over? Those employees who may happen to be employed in the general sector will be kicked out in the streets. Why should that be done? That is why I would at least urge upon the Finance Minister to agree to this.

If you do not agree to this even, then, I would suggest that at least take over those composite insurers who are under the management of administrators. There is one I know—I think there are about two or three composite insurers who are under the management of administrators. They are in a sorry state. They have a life business and they have a general business also. The Administrator is managing both these sectors. Regarding the proprietorship of these companies, civil and criminal cases are going on and it is not clear who are the real owners of those companies. The administrator cannot hand back the general business to any particular person without running the risk of being proceeded against for damages or otherwise. Under these circumstances, the Administrator either has to hand over the entire business to the Corporation or to keep the entire business of the insurer concerned or to keep only the general business and hand over the life insurance business. In any case, it is an impossibility or an absurdity. If the Administrator were to keep only the general business and hand over the life insurance business, as was envisaged in the Bill as it was introduced in this House, then, the Administrator would hardly be able to run the show economically. If the Administrator is expected—as he is expected to do—to run the entire business, presumably till such time as the proprietorship of the concern is determined, and then even to transfer the life business to the Corporation would be impossibility, because, after the nationalisation of the life sector, no one will do any business with the life sector of the composite insurer. Therefore, for all purposes, the life sector of the composite insurer will be dead. Under these circumstances, what will the Administrator do? I can quite visualise that he will throw out every employee whom he considers surplus and, naturally, when new business is not coming, quite a lot of employees will be surplus. In the case of other life insurance concerns, when the business goes to the Corporation, the employees will get employment in the Corporation. But, in the case of the composite insurers under the administration of the administrators, the employees who are surplus are kicked out and although they are engaged in the life sector, they will not be allowed to become employees of the Corporation. So, the employees in these offices face imminent retrenchment. They must do it. I want to know what guarantee the Finance Minister chooses to give to such employees. I have suggested cer-

[Shri Sadhan Gupta]

tain guarantees which I will dilate upon when I move amendments to the relevant clauses. But the best way, the simplest way, the way without the least complication is to take over the entire business of such insurers, the general as well as the life, and be done with it altogether. It cannot be said that the Corporation is not transacting general business at all; it is transacting the business of the subsidiaries. Therefore, there is no reason why that part of the business should not be taken over. Therefore, my amendment No. 144 suggests that the entire business of the composite insurers, who are under the management of the administrators, should be taken over by the Corporation.

I have one last amendment to clause 2, which is by way of supplying a lacuna. You will find that the definition of "controlled business" confines itself only to the life insurance business. Under clause 6, however, the Corporation is empowered not only to undertake life insurance business but also the business of the subsidiaries of the life insurance concerns, which transact general business. Their business has been excluded from the definition of "controlled business". The Corporation can carry on the general business of the subsidiaries, but it is not a controlled business. Therefore, it will not vest in the Corporation, that is to say, the Corporation will be empowered to carry on that business, but the business itself will not vest in the Corporation. That is a very unfortunate stage of affairs and that is likely to create all kinds of complications. Therefore, I have suggested amendment No. 145 by which I have sought to add another sub-clause which reads "all the business which was being carried on by his subsidiary on the 19th day of January, 1956;". In that way, the business of the subsidiaries of life insurance concerns would be transferred to and be vested in the Corporation, and the Corporation will be able to carry on that business. Otherwise, I do not know in relation to the business of the Corwhat the position of that business will be poration. Will the subsidiary companies retain their independent existence, and if so, how will they function because they are not authorised to carry on the business? It is the Corporation which is authorised to carry on the business. What is going to happen to the policies which are now in the subsidiary concerns—whether the Corporation is going to take over the policies itself or whether the policies will still remain with the subsidiary companies? To clear all these doubts, I suggest that amendment No. 145 may be accepted by the Government.

Shri B. K. Ray: Sir, I do not intend to repeat what I have said in the course of the general discussion of the Bill as it has emerged from the Select Committee. There, I tried to make out my point that there had been absolutely no justification for the State taking up the monopoly of the business of life insurance. There may be a necessity for acquiring certain businesses compulsorily, on payment of compensation. There may be a good cause for establishing a Corporation to acquire funds for the Second Plan, to expand and encourage life insurance business and to make it very popular among the people, to help the policyholders to get greater profits and so on. But where is the necessity for taking a monopoly to the complete exclusion of all other citizens? Government has no doubt been given the power in the Constitution so that in an emergency it will not feel deficient or weakened in achieving certain objectives which the State might be aiming at. But my humble submission is that it is rather undemocratic to prevent citizens ordinarily from taking up a particular occupation. The democratic form of Government is different from the other forms in the sense that it takes notice of individuals—individual liberty, individual's freedom of speech, movement, of holding property and also what I say, freedom of economy. Unless there is a danger which has to be averted, such freedom ought not to be jeopardised. I have therefore proposed my amendment which reads like this:

> "Provided that controlled business as defined above for the purpose of this Act shall not include any such business carried on by a co-operative society with a share capital of rupees fifty-thousand or less."

My point is this. There are small businessmen. They are the workers; they are themselves the shareholders. Some of them are policyholders. They have formed co-operative societies. I have come across such associations in my State. Young men of education without large capital have managed to carry on life insurance business and earn their livelihood. Why should these small business be acquired. I have also tabled another amendment to clause 30 to cover these cases.

Mr. Deputy-Speaker: That will come subsequently.

Shri B. K. Ray: That has not yet come up. But if this falls through, that will also fall through. I submit that the hon. Minister should agree to leave this beyond acquisition because they would become professionless and be driven to the streets. They will be *functus officio*. How are they going to be compensated? The compensation that is going to be paid to them is nothing. They have built up the business. They have spent so much of their effort and time and all these things will go to waste. So, I request him to accept my amendment and allow such small businesses to be outside the purview of this Bill.

Shri C. D. Deshmukh: I will deal with amendment No. 47. I fear that the hon. Member has used highly constitutional arguments for a minor issue. If one were to say that nationalisation is discriminating against the citizens who wishes to have freedom to follow any profession he likes, then, I say that no nationalisation would ever be possible. On the purely legal issue, we are advised that the Government can nationalise for good reason whether it is an individual enterprise or it is an industry as a whole. Here the main point is, we feel that nationalisation can achieve its best results only if a monopoly were to vest in the State. Those arguments have been gone over again and again in connection with the question of competition which one hon. Member—I think it was Shri Matthen—raised. We have gone so far as to acquire life insurance business even carried on by State Governments. Therefore, again that background we do not consider that it would be appropriate to allow only a small section of insurers to continue in business, especially on account of the reasons which have been set out by the hon. Member, that they would not know what to do with their money. The same point would arise in regard to every shareholder to whom we are paying compensation. Nationalisation is an act which involves this and one only hopes that in the expanding economy of the country, these small people would find other suitable avenues for employing their money.

But the point of view from which we are considering nationalisation is complete safety to the policyholders. We feel that even a co-operative concern is not immune from losses, whereas a State enterprise can never involve any loss to the policyholders. We, therefore, feel that we should not expose even a section of the insured population to possible loss under their policy contracts.

Talking of discrimination, if we were to exclude co-operative societies, then indeed we might be discriminating between one class of insurers and another. Therefore, taking all the considerations together, I remain unconvinced by the arguments of the hon. Member and I regret I am unable to accept his amendment.

As regards the amendments of Shri Sadhan Gupta, he has finally come to the conclusion that, in spite of the reasons that have been advanced to the contrary, for reasons which he has mentioned, general insurance business should also be taken over by the Government. I thought that I had given convincing reasons why it should not be done. Therefore, I feel that the major reasons are on my side. The only point that he has raised in this connection is, what will happen to the staff. Without appearing to be inhuman, I think that question would have to be solved by some other means than, only for this reason, saddling ourselves with general insurance business. As far as I can see, it is not possible—and that is implied in his amendments—to distinguish between company and company. His general thesis is that many of the composite companies—at least smaller composite companies—will not be able to carry on business if their life insurance or part of their business is acquired by the Government. Actually, out of 160 units only about 17—certainly not a score—are purely doing life business. Therefore, majority of the companies, according to my figures, are composite companies. I do not think anyone will argue that some of them will not continue as general insurance companies.

Take for instance New India. It is a very well established company and it will no doubt continue. I think that also is a common ground between myself and Shri Sadhan Gupta. Therefore, we are left with two classes of companies: one is somewhat indeterminate smaller companies, which will find it difficult to carry on their general insurance business if the life insurance part of their business is acquired, and the other is the companies under administrators. In regard to the first, since there is no criterion today for determining as to who

[Shri C. D. Deshmukh]

will carry on business and who will not carry on business, I should think that, short of legislation, the best course would be to leave it to some of our general insurance subsidiaries to find out what can be done in regard to these remnants of business. It may be possible for us to have deals with some of these companies if they are worthwhile at all. Some may be so small as to be left with the problem of staff, which we may acquire; but in other cases, if there is any business which is worthwhile taking, it would not be impossible for our general business, which we shall carry on as subsidiaries, to acquire such business on certain terms. In other words, it can be carried on merits. One may take notice of those problems and solve the problem of staff.

As regards companies under the administrator, I am informed that there is only one now, the Jupitor Insurance Company. There, with every reference to the merits of that particular company, we have decided that we shall transfer it back to the people from whom we took over the management, after taking over the life business. I am not aware of any other company under the administrator, but theoretically, there is power either to continue management or to liquidate or to transfer. Such transfers have not been unknown in the past. It seems to me that it is possible for us to carry on negotiations to find out what we can do about this particular business.

There was one last point in regard to the subsidiaries, I must confess that I do not know what the legal difficulty is. We manage the subsidiary for the simple reason that we become their owners. By virtue of our acquiring the interests of the shareholders of, say, the Oriental, we acquire their rights. They are holding sufficient shares.....

Shri Tulsidas: Entirely.

Shri C. D. Deshmukh: May be entirely; I am not quite sure of the facts. Therefore, that subsidiary will be carried on as any other subsidiary business would be carried on by the holding company. I cannot see how any difficulties can arise in managing that subsidiary. Whether it is general insurance or some other business, we shall be able to carry it on by virtue of the fact that we shall be the holders of the rights of the holding company.

Shri Sadhan Gupta: May I seek a clarification? Clause 6(2)(g) says:

> "(g) to carry on any other business in any case where such other business was being carried on by a subsidiary of an insurer whose controlled business has been transferred to and vested in the Corporation under this Act."

So, the power given under clause 6(2)(g) is to carry on the business which was being carried on by the subsidiary, *i.e.*, the Corporation itself will carry it on. Not that it will keep the subsidiary alive as an independent separate entity, but it will itself carry on the business that was being carried on by the subsidiary. If that was the intention, the business of the subsidiary also should vest as controlled business in the Corporation.

Shri Ramachandra Reddi: I would also like to seek a clarification. The hon. Finance Minister said that the purpose of the Government was to have monopoly of life insurance. But, under clause 44(d), exemption is given to the scheme run by the Central Government known as the "post office life insurance fund". May I know the purpose for which this exemption has been made and whether that scheme cannot also be included in the general scheme of life insurance?

Shri M. C. Shah: The difficulty is that the Jupitor Insurance Company is a composite company.....

Shri Tulsidas: He is enquiring about postal insurance.

Mr. Deputy-Speaker: The point, so far as I could follow, of Shri Sadhan Gupta is that the taking over of the business of a subsidiary company might include some business which might not be covered by the definition of "controlled business". Am I right?

Shri Sadhan Gupta: Yes, Sir. The entire business of the subsidiary is not covered by the definition of "controlled business" but can be carried on by the Corporation, so that there is some doubt. What is going to happen to the policies vested in the subsidiaries?

Shri C. D. Deshmukh: If the business is carried under clause 6(2)(g), then why should any doubt arise as to the policies of the subsidiary company?

Shri Nambiar: Amendment No. 145 makes it clear that 6(2)(g) is covered. Otherwise it is contradictory.

Shri Ramachandra Reddi: My doubt has not been cleared.

Mr. Deputy-Speaker: It has to be cleared by the House by its vote.

The question is:

Page 2—

after line 38, *add*:

"Provided that controlled business as defined above for the purpose of this Act shall not include any such business carried on by a co-opertiave society with a share capital of rupees fifty thousand or less."

The motion was negatived.

Mr. Deputy-Speaker: Would the hon. Member like me to put all the three amendments separately?

Shri Nambiar: Together, for your convenience.

Shri Sadhan Gupta: If the hon. Finance Minister does not agree to amendment No. 145.

Mr. Deputy-Speaker: He does not agree to it.

Shri Nambiar: Or, shall we wait till tomorrow to consider the position regarding amendment No. 145? It will be in his own interest.

Shri M. C. Shah: Nothing has to be considered.

Mr. Deputy-Speaker: Now that he says that nothing has to be considered.....

Shri C. D. Deshmukh: I consider that the powers under clause 6(2)(g) are sufficient to enable us to carry on the business that was carried on by the subsidiary and to safeguard the rights of the policyholders.

Mr. Deputy-Speaker: That is all right: Then I put the other three amendments to the vote of the House.

The question is:

Page 2—

for lines 2 to 33, *substitute*:

"(i) in the case of any insurer specified in sub-clause (a)(ii) or sub-clause (b) of clause (9) of section 2 of the Insurance Act and carrying on life insurance business, all his business;

(ii) in the case of any other insurer specified in clause 9 of section 2 of the Insurance Act and carrying on life insurance business all business in India;".

The motion was negatived.

Mr. Deputy-Speaker: The question is:

(i) Page 2, line 4,—

add at the end:

"but not being an insurer specified in sub-clause (iA) of this class"; and

after line 13, *insert*:

"(iA) in the case of any insurer the business of whose subsidiary may be carried on by the Corporation or whose affairs were being managed on the appointed day by an Administrator appointed under section 52A of the Insurance Act, all his business;".

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 2—

after line 13, *insert*:

"(d) all the business which was being carried on by his subsidiary on the 19th day of January, 1956;".

The motion was negatived.

Mr. Deputy-Speaker: The question is:

"That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

Mr. Deputy-Speaker : Clause 3. There is only one amendment in the name of Shri Radha Raman. Amendment No. 146. He is not present to move.

The question is :

"That clause 3 stand part of the Bill."

The motion was adopted.

Clause 3 *was added to the Bill.*

Mr. Deputy-Speaker : Clause 4.

Shri Sadhan Gupta *rose*—

Mr. Deputy-Speaker : There are many amendments to this clause. We will proceed with it tomorrow.

6-03 P.M.

The Lok Sabha then adojurned till Half Past Ten of the Clock of Tuesday the 22*nd May*, 1956.

DAILY DIGEST

[*Monday, 21st May,* 1956]

COLUMNS

MOTIONS FOR ADJOURNMENT . . 8957-59

(*i*) The Speaker withheld his consent to the moving of an adjournment motion given notice of by Shri A. K. Gopalan and Shri K. Ananda Nambiar regarding the situation alleged to have arisen as a result of the strike by Loco-firemen in the *ex*-Nizam State Railway region of the Central Railway as a Calling Attention Notice on the same subject had already been admitted for the 23rd May, 1956.

(*ii*) The Speaker postponed his decision till 23rd May, 1956, on the admissibility of an adjournment motion given notice of by Shri A. K. Gopalan and Shri K. Ananda Nambiar regarding the situation alleged to have arisen as a result of the strike of workers of Kharagpur Workshop of the South Eastern Railway, when Government proposed to make a statement.

PAPERS LAID ON THE TABLE . . . 8963

The following papers were laid on the Table—

(*i*) Report of the Delhi Road Transport Authority for the years 1953-54 and 1954-55.

(*ii*) A note from the Office of the Comptroller and Auditor-General on the "Parliamentary Control over State Enterprises".

COLUMNS

MESSAGE FROM RAJYA SABHA . . . 8963-68

Secretary reported a message from Rajya Sabha that at its sitting held on the 15th May, 1956, Rajya Sabha had agreed to the amendments made by Lok Sabha on the 8th May, 1956, in the Hindu Succession Bill, 1955.

ESTIMATES COMMITTEE 8968

Twenty-eighth Report was presented.

CONSIDERATION OF BILL . . . 8968-9100

The discussion on the motion to consider the Life Insurance Corporation Bill, as reported by Select Committee was concluded. Consideration of clauses was not concluded.

AGENDA FOR TUESDAY, 22ND MAY, 1956—

Further consideration of the Life Insurance Corporation Bill, as reported by Selet Committee.

GIPN—N.S.—133 Loksabha—26-2-57—840.